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ABSTRACT

This participant guide instructs college financial aid personnel in the use of the EDExpress system as it relates to direct student loans. The first chapter contains a welcome and introduction to the training sessions, and the second session contains an overview of the six-step data process, a discussion of key players in direct loans (DL), a discussion of how schools process loans, and an outline of the basic concepts of records query under EDExpress, the automated financial aid system. The third session discusses beginning the process, the creation of loan records, and exporting and importing origination records. Session four deals with promissory notes, and session five discusses the creation of actual disbursements and handling those records. Making changes to DL records is the subject of session 6, and session 7 focuses on using DL tools and the reconciliation process. The final session deals with uses of reports and how to locate information resources for DL. (SLD)

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ED 465 364

EDExpress Training

Direct Loan Basic Training

2002 - 2003

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Participant Guide

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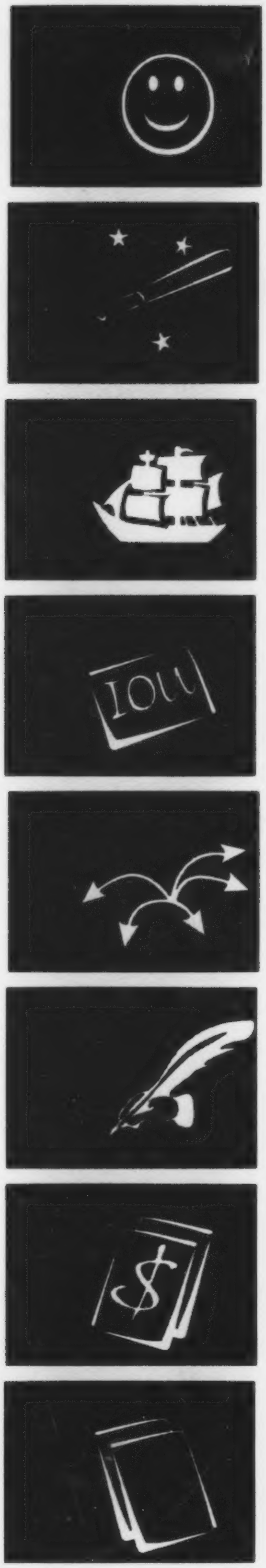
STUDENT AID

FSA
UNIVERSITY
FEDERAL STUDENT AID

2002-2003
EDEXPRESS
DIRECT LOAN
BASIC TRAINING



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Form approved
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SFA
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STUDENT FINANCIAL ASSISTANCE

STUDENT FINANCIAL ASSISTANCE
Training Satisfaction Survey

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

Thank you for taking a moment to answer the following questions. We will use this to evaluate and improve our training and materials. Any information you provide is confidential.

Course ______________________________ Date __________

Location ______________________________

Trainer name(s) ______________________________

Your type of institution: ☐ Public ☐ Private ☐ Proprietary
☐ Undergraduate/Graduate ☐ Clock Hour/Credit Hour

Length of time in financial aid related responsibilities: (years/months) ________

Please complete the following statements using the scale below:

1 = Unacceptable
2 = Poor/less than acceptable
3 = Moderate/Acceptable
4 = Good/More than acceptable
5 = Outstanding/Much more than acceptable
N/A = Not applicable/Unknown/No Comment

GENERAL

1. How well did this training meet your needs for improving your student aid operations?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

2. How well did this training meet the overall objectives stated at the beginning of the course?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

3. How well did the training announcement describe this training?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

TRAINING MATERIALS

4. How helpful were the case studies, charts and other graphic illustrations?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

5. Our goal is to provide accurate, clear and organized materials. How do you rate our materials?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

PRESENTATION

6. Please rate the presentation and/or slide show for clarity and accuracy.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

7. Was enough time devoted to trainee questions and exercises?

☐ Yes ☐ No

8. What suggestions do you have to improve the trainers' presentation?

TRAINING LOGISTICS AND MISCELLANEOUS

9. What additional training would you like us to provide?

10. What comments do you have about the workshop's location and training room?

ADDITIONAL COMMENTS AND SUGGESTIONS

You can now provide your comments on this or any other training session on our Training Information page at www.ed.gov/offices/OSFAP/sfau/ or by sending us an e-mail at SFA_Training@ed.gov

Session 1—Welcome

Welcome

to

Direct Loan
Basic Training

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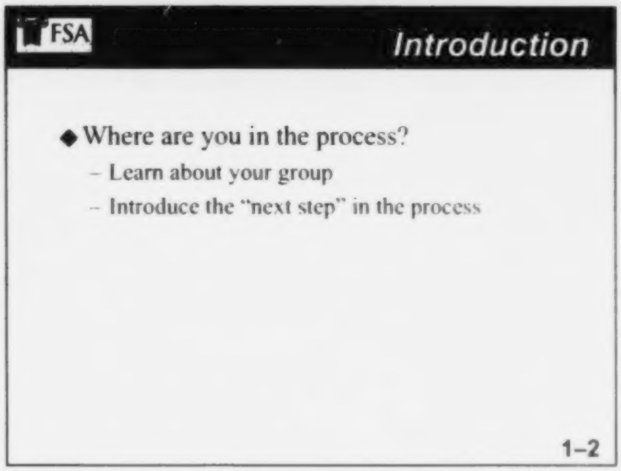


FSA

Introduction

- Where are you in the process?
  - Learn about your group
  - Introduce the "next step" in the process

1–2

Introduction

Find 5 other people in the class that have cards with the other steps of the process as pictured below.

Introduce yourself to your new team.

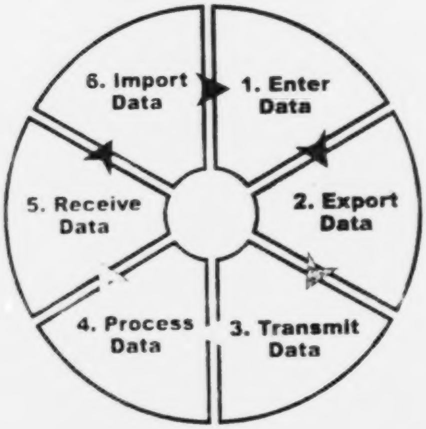
Your task will be to introduce the person that follows you in the sequence (1 introduces 2) to the class.

So, find out where they are from ______________________________

What they do ______________________________

How they will be working with Direct Loans______________________________

Identify an experience that they had to cause them to think about something in a different way______________________


1. Enter Data
2. Export Data
3. Transmit Data
4. Process Data
5. Receive Data
6. Import Data

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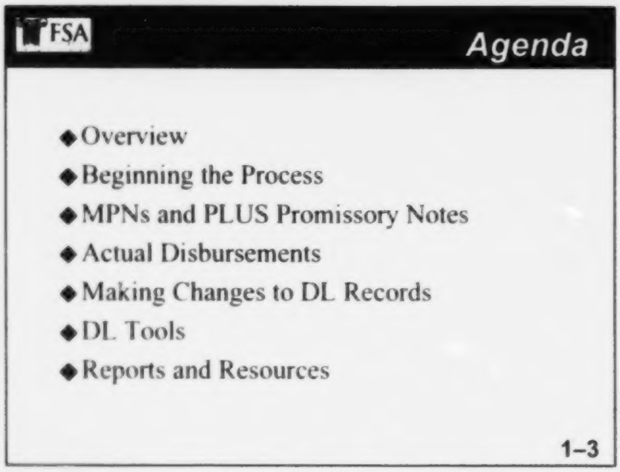


FSA

Agenda

- ◆Overview
- ◆Beginning the Process
- ◆MPNs and PLUS Promissory Notes
- ◆Actual Disbursements
- ◆Making Changes to DL Records
- ◆DL Tools
- ◆Reports and Resources

1–3

Agenda

Overview —Discussion of the 6-step data process, key players in DL, how schools process loans, and basic concepts of query.

Beginning the Process—Set up the Direct Loan module of EDExpress, create and originate loan records, and export and import origination records.

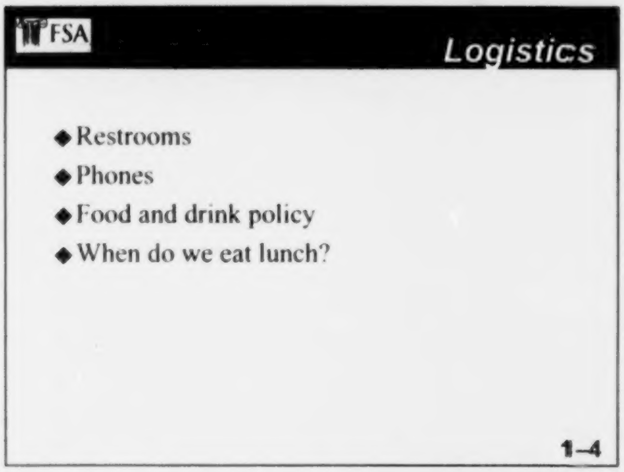
MPNs and PLUS Promissory Notes—Print MPNs/promissory notes, create a manifest, and import acknowledgments.

Actual Disbursements—Create actual disbursements, export and import disbursement records, and book a loan.

Making Changes to DL Records—Update or modify an origination record and change an actual disbursement.

DL Tools—Use DL Tools in the reconciliation process to rebuild your database and for cash management.

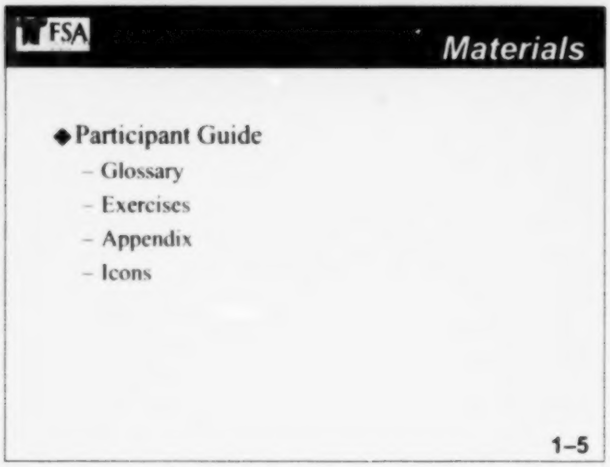
Reports and Resources—Identify uses of reports and locate information resources for DL.



FSA

Logistics

- Restrooms
- Phones
- Food and drink policy
- When do we eat lunch?



FSA

Materials

- Participant Guide
  - Glossary
  - Exercises
  - Appendix
  - Icons

1–5

Icons Used in the Materials

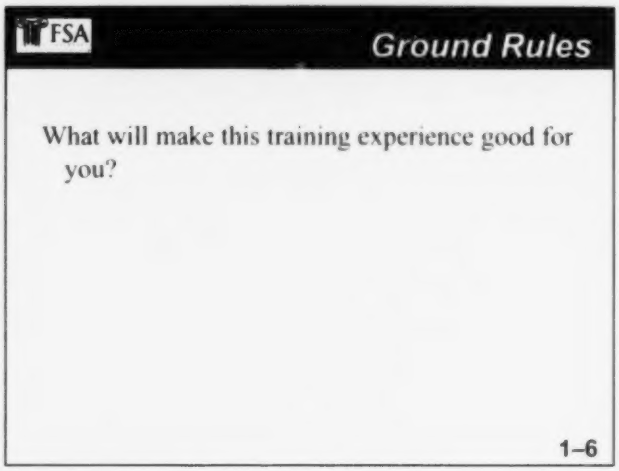
👥 Small group activity—You and your new friends working together to solve a problem

💻 Software Activity—An exercise you will perform using EDExpress

📖 Individual activity—Usually a Q and A worksheet you will complete to review a lesson

✏ Notes—Information to consider about a specific topic

☺ Tip—Extra things you might want to know about how to use EDExpress or about the DL process

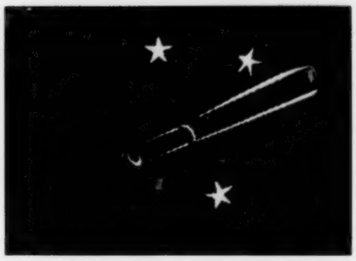


FSA

Ground Rules

What will make this training experience good for you?

1–6



Session 2: Overview of the Direct Loan Process

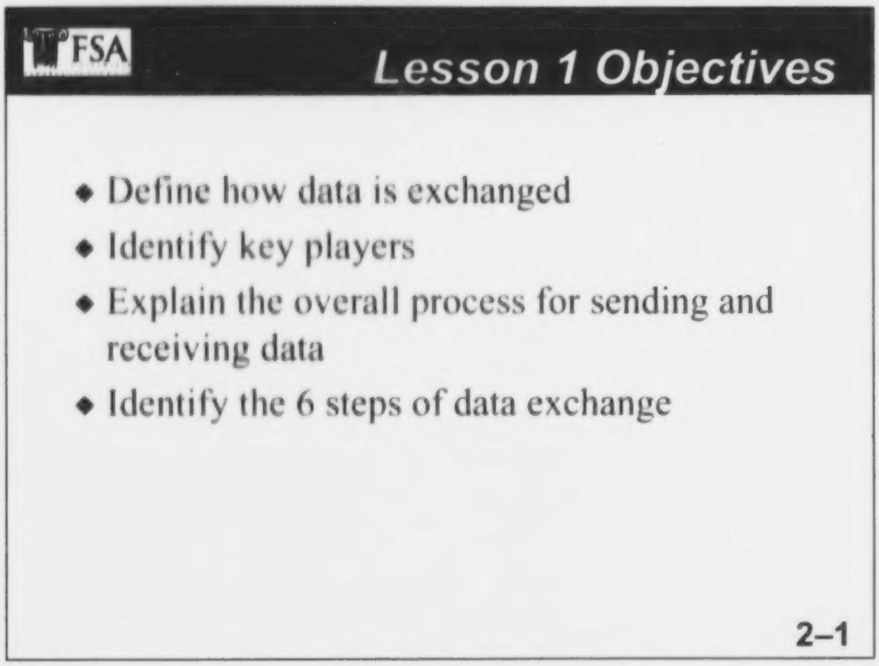
Lesson 1—The 6-Step Data Process

Lesson 2—Direct Loan Process and How Schools Process

Lesson 3—Use of Queries

Session 2—Overview of the Direct Loan Process

Lesson 1: The 6-Step Data Process



FSA

Lesson 1 Objectives

- Define how data is exchanged
- Identify key players
- Explain the overall process for sending and receiving data
- Identify the 6 steps of data exchange

Key Terms

EDconnect

EDconnect is a Windows-based software package that assists users with sending, receiving, and managing their federal student aid information electronically. Users collect data on their personal computer (PC) or computer system and transmit the collected data in batches over the Student Aid Internet Gateway (SAIG).

SAIG

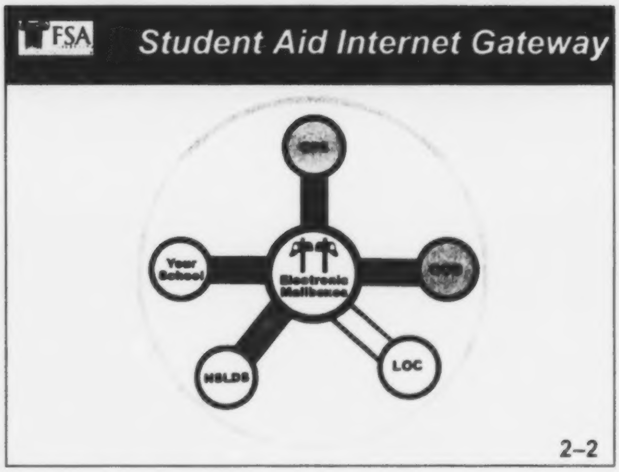
The Student Aid Internet Gateway is a private telecommunications network that handles the exchange of data between participating postsecondary schools and FSA's processing systems. The appropriate Title IV Application System receives the data, processes the data, performs any required database cross-referencing, and returns the processed data to the user's SAIG mailbox. The entire processing cycle for routine application data within the SAIG system is typically 72 hours (three working days).

Export

The export function in EDExpress creates a batch of data records that are ready to be used in another EDE Suite software product, used in a system outside EDExpress, or transmitted to a data processing service using EDconnect.

Import

Import is an EDExpress function that moves a file of data records that has been received from the SAIG into the EDExpress database.



Student Aid Internet Gateway

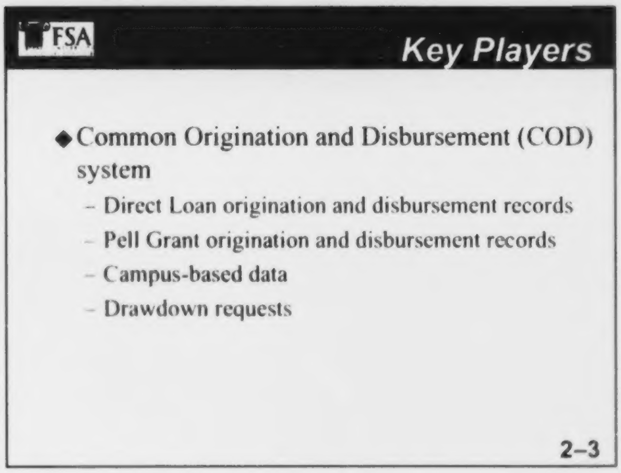
2–2

What Is the Student Aid Internet Gateway?

The Student Aid Internet Gateway (SAIG) allows schools to send and receive Title IV student financial aid data to and from FSA's processing systems.

How Is Data Exchanged?

The SAIG is a store and forward communication network. Each school with an SAIG account has a mailbox. Schools transmit data records (such as electronic applications) to the SAIG where the records are stored in each school's network mailbox. Each processing system retrieves the data records from the network mailboxes at least daily. Direct Loan data is retrieved multiple times a day. Once the records are processed they are placed back in the mailboxes for schools to retrieve.



Key Players

- Common Origination and Disbursement (COD) system
  - Direct Loan origination and disbursement records
  - Pell Grant origination and disbursement records
  - Campus-based data
  - Drawdown requests

2–3

Who Receives and Processes the Data?

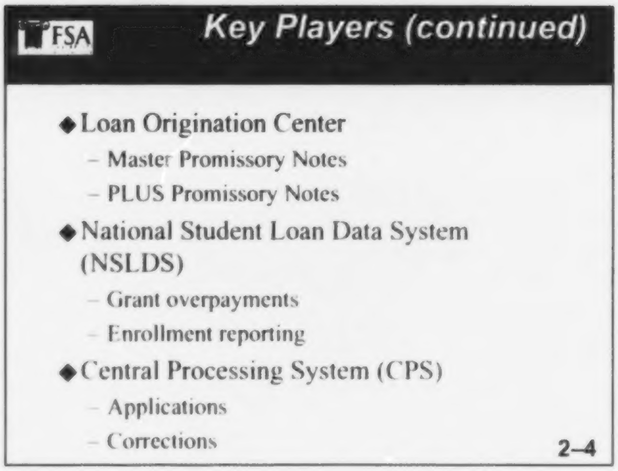
Common Origination and Disbursement (COD)

Beginning with the 2002–2003 award year, the Common Origination and Disbursement System (COD) will assume all but the promissory note responsibilities of the Loan Origination Center (LOC). These responsibilities include processing of the origination and disbursement records for Direct Loans and Pell Grants.

All schools participating in Title IV Student Financial Assistance for 2002–2003 are using the COD System to process records for the Federal Direct Loan Program and the Federal Pell Grant Program by using one of two processing models. The two models are:

- Full Participation
- Phase-In Participation

The difference in the two models is driven by the data transmissions between the institutions and the COD System. Schools using EDExpress in the 2002–2003 award year for Direct Loans will be phase-in participants.



Key Players (continued)

- Loan Origination Center
  - Master Promissory Notes
  - PLUS Promissory Notes
- National Student Loan Data System (NSLDS)
  - Grant overpayments
  - Enrollment reporting
- Central Processing System (CPS)
  - Applications
  - Corrections

2–4

Loan Origination Center (LOC)

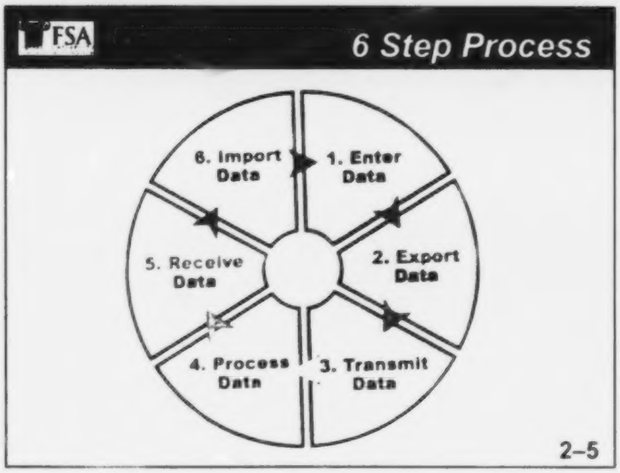
Beginning in 2002–2003 the LOC will only handle the receipt of paper promissory notes sent from the school or borrower. The LOC will also continue to be responsible for handling any Direct Loan related mail and excess cash for award year 2001–2002 and all prior award years.

National Student Loan Data System (NSLDS)

The National Student Loan Data System (NSLDS) is a national database of loan information and selected grant data. Schools, guaranty agencies, and other FSA Title IV participants provide data to NSLDS. Schools communicate electronically with NSLDS using the SAIG. Data provided by schools to NSLDS include grant overpayment information and enrollment status information about loan recipients. NSLDS supplies financial aid history information including a student's loan history to the Central Processing System for ISIR data.

Central Processing System (CPS)

The Central Processing System (CPS) processes both paper and electronic Free Applications for Federal Student Aid (FAFSAs) and corrections. CPS calculates a student's Expected Family Contribution (EFC), performs database matches with other federal agencies, and sends a processed Institutional Student Information Record (ISIR) to the school. Upon request, CPS also sends duplicate ISIRs to schools.



FSA

6 Step Process

6. Import Data
1. Enter Data
2. Export Data
3. Transmit Data
4. Process Data
5. Receive Data

2–5

6 Step Process

Exchanging data with the SAIG is a 6-step process:

1. Enter Data

Create and save data records using the EDExpress software or other data entry software. Data records that you might enter include initial applications and corrections; Direct Loan origination, change and disbursement records; and Pell Grant origination and disbursement records.

2. Export Data

Create a file of data records (batch) that you have entered using either EDExpress or your own software. The file must be in a format that adheres to the standards established by each of FSA's processors.

3. Transmit Data

Use EDconnect to access the SAIG and send the data file (batch) to your mailbox.

4. Process Data

The appropriate FSA system retrieves the data from your SAIG mailbox, processes the data, and returns the processed results to your mailbox.

5. Receive Data

Use EDconnect to send an electronic request to the SAIG to receive your processed data.

6. Import Data

Import records stored in batch files on your PC into EDExpress or other software package.

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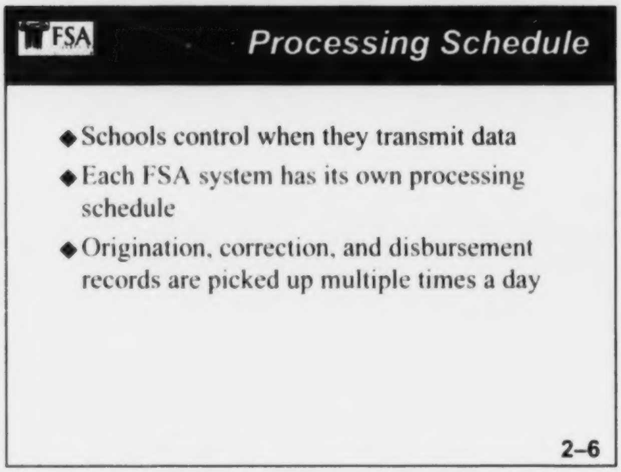


Processing Schedule

- Schools control when they transmit data
- Each FSA system has its own processing schedule
- Origination, correction, and disbursement records are picked up multiple times a day

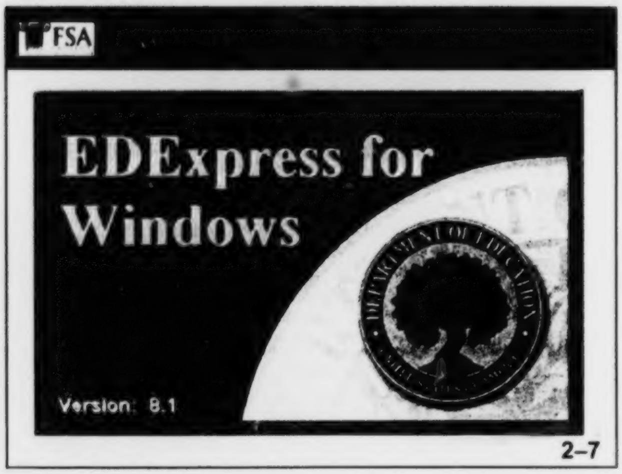
Overall Processing Schedule

Schools have control over how often they transmit data to their SAIG mailbox. Some schools transmit daily; others transmit less often. It is important that a processing log be kept about the data sent to the COD system. This processing log should include the type of data sent, the date it is sent, and when that data is acknowledged.

Each FSA system has its own schedule for processing the data submitted by schools. It is important to understand these schedules.

COD Processing Schedule

The COD system processes loan data for the schools by retrieving data multiple times a day from each school's SAIG mailbox, providing schools the flexibility to develop an efficient production cycle for their schedule. Multiple cycles also provide quicker turnaround time for submission and processing of records, giving the school the ability to process multiple cycles for the same loan record within the same day.



FSA

EDExpress for Windows

Version: 8.1

2–7

What Is EDExpress?

EDExpress is PC-based software that allows your school to manage student financial aid records. FSA provides EDExpress free of charge to all schools who have an SAIG account.

EDExpress has five modules. Schools have the option of using all, some, or none of the modules.

- **Global**: Allows you to enter demographic records, document-tracking letters, and user-defined data.
- **App Express:** Allows you to enter FAFSAs and corrections; edit the data; and create batch files to transmit to the CPS.
- **Packaging:** Allows you to package student financial aid awards.
- **Direct Loan:** Allows you to create loan origination records, change records, print promissory notes, and post actual disbursements to be processed by the COD system.
- **Pell**: Allows you to create Pell Grant origination and disbursement records and process Pell data to be sent to the COD system.

Schools that do not use EDExpress must develop software, acquire software from a vendor, or use a third-party servicer to enter, edit, and create records to transmit through the SAIG.

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FSA **What Is EDE Suite?**

- ◆ Direct Loan Tools for Windows
- ◆ Return of Title IV Funds for Windows
- ◆ Quality Analysis Tool for Windows
- ◆ SSCR

2–8

What Is EDE Suite?

EDE Suite is a series of software products provided by the Department of Education to assist schools in the management of the FSA programs. While EDExpress for Windows is the most widely known, other products include:

- **Direct Loan Tools for Windows:** Provides you with a comparison program to assist with the reconciliation and cash management of Direct Loan data. This tool also has the capability to rebuild an EDExpress Direct Loan database.
- **Return of Title IV Funds for Windows:** Assists you with calculating and managing the return of funds to the Title IV programs when a student withdraws.
- **Quality Analysis Tool for Windows:** Provides you with a tool to analyze ISIR data comparing paid-on transactions to other transactions to increase efficiency in the verification process.
- **SSCR:** Allows you to electronically certify borrowers' enrollment and update student address information with NSLDS.

FSA

2–9

What Is EDconnect?

EDconnect is PC software that transmits the data records you create using EDExpress (or another software package) to the SAIG.

EDconnect manages your data files, keeps track of user IDs and passwords, and initiates two-way communication with the SAIG through the Internet.

Lesson 1 Activity #1

Beat the Clock

It's up to you and your teammates to place the 6 steps of the EDE process in the correct order. Select one or two members of your team to represent you. All teams have 20 seconds to place the steps in order. The fastest / most accurate team wins!

Lesson 1 Activity #2

Key Players

Match the processing system with its correct description.

A. Central Processing System (CPS)
B. SAIG
C. National Student Loan Data System (NSLDS)
D. FISAP
E. Common Origination and Disbursement (COD)

__________ Receives and processes origination and disbursement records for Pell Grant payment processing.

__________ Sends enrollment confirmation records to schools. Supplies financial aid history information to CPS for ISIR data.

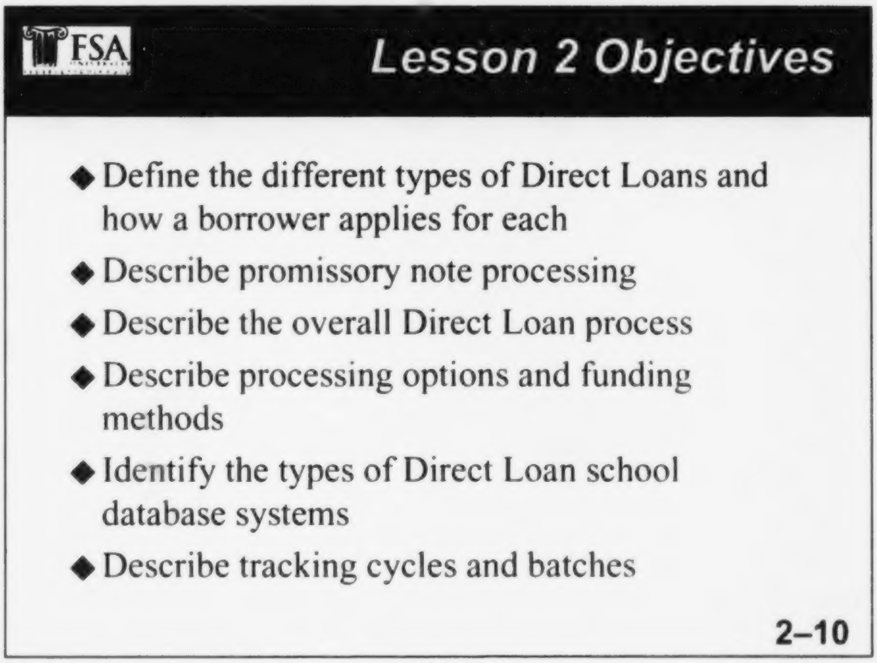
__________ Receives files from a school and forwards the data to the appropriate processor.

__________ Receives and processes initial application and correction data and sends the results to your school as an Institutional Student Information Record.

__________ Receives and accepts or rejects loan origination records, change records and actual disbursements for Direct Loan schools. Sends electronic acknowledgements back to your school.

Session 2—Overview of the Direct Loan Process

Lesson 2: How Schools Process Direct Loans



Lesson 2 Objectives

- Define the different types of Direct Loans and how a borrower applies for each
- Describe promissory note processing
- Describe the overall Direct Loan process
- Describe processing options and funding methods
- Identify the types of Direct Loan school database systems
- Describe tracking cycles and batches

Key Terms

Borrower

The person who has signed and agreed to the terms of the promissory note, and is therefore responsible for repaying the loan.

Capitalization

Adding accumulated interest that has not been paid by the borrower to the loan principal. Capitalizing interest increases the principal amount of the loan and the total cost of the loan.

Deferment

A deferment means postponing payments on a loan under certain specific conditions. For subsidized loans, the government pays the interest during periods of deferment.

Endorser

An endorser agrees to repay the PLUS loan if the borrower does not pay.

Forbearance

Under certain conditions, and upon request, the borrower is temporarily relieved of the obligation to make payments on the loan. The borrower is responsible for any interest that accrues during periods of forbearance.

Grace Period

A six-month period before the first payment must be made on a Direct Subsidized or Direct Unsubsidized Loan. The grace period begins the day after the borrower ceases to be enrolled at least half-time.

Interest

An expense of borrowing money that is calculated as a percentage of the amount borrowed.

Key Terms (continued)

Loan Fee

An expense of borrowing deducted proportionately from each loan disbursement. For Direct Subsidized and Direct Unsubsidized loans, the loan fee is 3%, while for PLUS loans, the loan fee is 4%.

Promissory Note

A legally binding contract between a lender and a borrower. The promissory note contains the terms and conditions of the loan, including how and when the loan must be repaid.

Repayment Period

The period during which a borrower is obligated to make payments on the loan(s).

Up-Front Interest Rebate

The rebate is equal to a percentage of the loan amount and provides an incentive that encourages timely repayment of Direct Loans and reduces the borrower's total indebtedness.

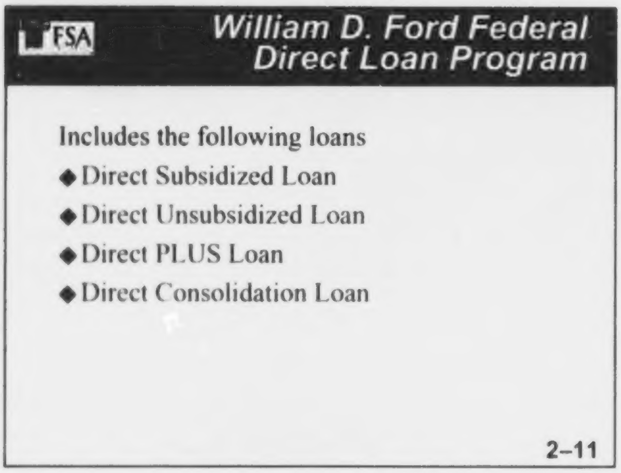
For 2002–2003 Direct Loans, the up-front interest rebate is 1.5% and is calculated on each disbursement. To keep the up-front interest rebate a borrower must make all of the first 12 required monthly payments on time (no later than 6 days after the due date) when the loan enters repayment. If the borrower does not make all of the first 12 required monthly payments on time, the rebate is lost and the rebate amount is added back to the principal balance of the loan.

Variable Interest Rate

The rate of interest on a Direct Loan may change on an annual basis.

William D. Ford Federal Direct Loan Program

The William D. Ford Federal Direct Loan Program, also referred to as the Direct Loan Program, is a federal program that provides loans to student and parent borrowers directly through the U.S. Department of Education. The William D. Ford Federal Direct Loan Program is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended.



FSA

William D. Ford Federal Direct Loan Program

Includes the following loans
- Direct Subsidized Loan
- Direct Unsubsidized Loan
- Direct PLUS Loan
- Direct Consolidation Loan

2–11

William D. Ford Federal Direct Loan Program

The Department of Education provides loans to student and parent borrowers through the Direct Loan Program. The Direct Loan Program includes the following loans:

Type of Loan	Borrower
Direct Subsidized Loan	Student
Direct Unsubsidized Loan	Student
Direct PLUS Loan	Natural or adoptive parent or stepparent of a dependent student
Direct Consolidation Loan	Any borrower

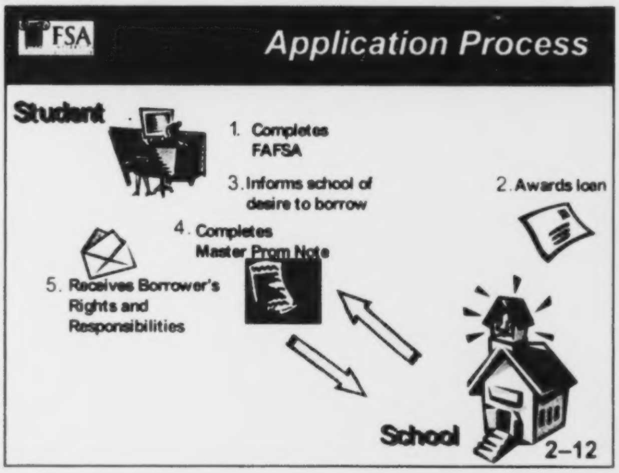
A **Direct Subsidized Loan** is federally financed and is made on the basis of the student's financial need and other specific eligibility requirements. The interest is a variable interest rate adjusted each year on July 1, but will not exceed 8.25%. The federal government does not charge interest on these loans while the student is enrolled at least half-time, during a six-month grace period, or during authorized periods of deferment. For periods of forbearance, the borrower is responsible for the unpaid accrued interest.

A **Direct Unsubsidized Loan** is a federally financed loan for a student who meets specific eligibility requirements. At a school's discretion a student can be awarded an unsubsidized loan to fulfill cost of attendance not met by other aid (within the statutory annual and aggregate loan limits).

Interest is charged throughout the life of the loan. The interest rate is variable. The rate may be adjusted each year on July 1, but will not exceed 8.25%. During periods when payments are not due, the borrower may choose to pay the interest charged on the loan, or to allow the interest to be capitalized (added to the loan principal).

A **Direct PLUS Loan** is specifically for a natural or adoptive parent or stepparent of a dependent, undergraduate student to borrow to meet the student's education expenses. The student must be enrolled at least half-time. The interest charged to the loan is a variable interest rate adjusted each year on July 1, but will not exceed 9%. A Direct PLUS Loan borrower must not have an adverse credit history or, if the borrower has an adverse credit history, must document exceptional circumstances or obtain an endorser for the loan. An endorser is responsible for repaying the loan if the parent borrower does not pay. An endorser cannot be the student.

A **Direct Consolidation Loan** allows any borrower to combine one or more federal education loans into a new Direct Loan to facilitate repayment.



FSA

Application Process

Student

1. Completes FAFSA

2. Awards loan

3. Informs school of desire to borrow

4. Completes Master Prom Note

5. Receives Borrower's Rights and Responsibilities

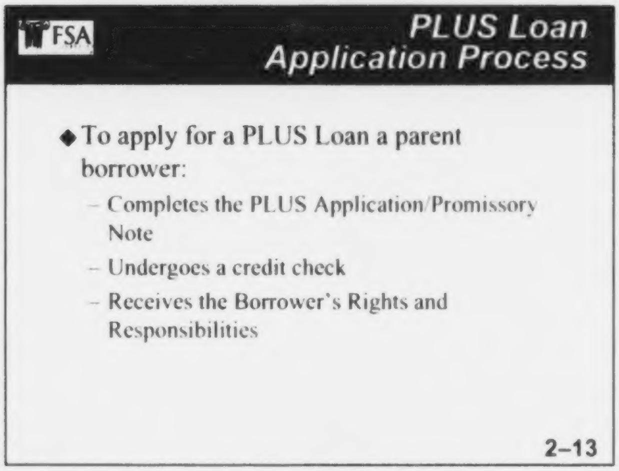
School

2–12

Subsidized/Unsubsidized Loan Application Process

To apply for a Direct Subsidized and/or Direct Unsubsidized Loan, a student must submit a FAFSA and inform a school of the desire to borrow a loan. Using the results of the EFC on the ISIR and other eligibility criteria, a school may award a subsidized and/or unsubsidized loan to a student.

Once awarded the subsidized and/or unsubsidized loan, the student completes a Master Promissory Note (MPN) and receives the Borrower's Rights and Responsibilities.



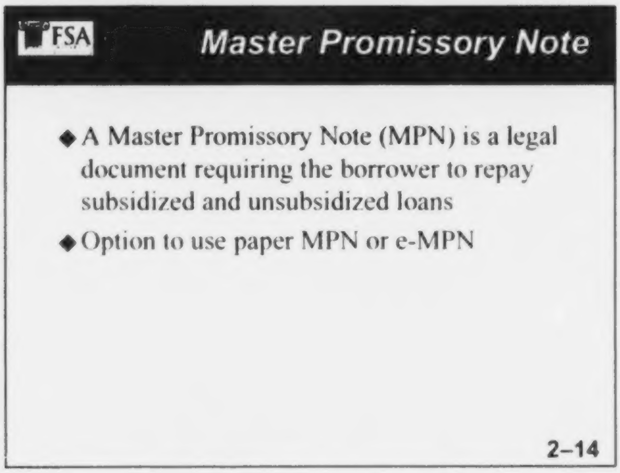
PLUS Loan Application Process

- To apply for a PLUS Loan a parent borrower:
  - Completes the PLUS Application/Promissory Note
  - Undergoes a credit check
  - Receives the Borrower's Rights and Responsibilities

PLUS Loan Application Process

To apply for a PLUS Loan, a parent borrower and the student must complete the PLUS Application/Promissory Note and submit this application to the school or the LOC. If the parent is applying for a PLUS only, a FAFSA is not required. The parent receives the Borrower's Rights and Responsibilities.

In addition, the school may use the COD Web site to perform a credit check online for the borrower. A Direct PLUS Loan borrower must not have an adverse credit history or, if the borrower has an adverse credit history, must document exceptional circumstances or obtain an endorser for the loan. To obtain an endorser, an endorser form must be completed and submitted to the COD system. The COD system then requests a credit check on the endorser. An eligible endorser must receive an approved credit decision. An endorser cannot be the student.



FSA

Master Promissory Note

- A Master Promissory Note (MPN) is a legal document requiring the borrower to repay subsidized and unsubsidized loans
- Option to use paper MPN or e-MPN

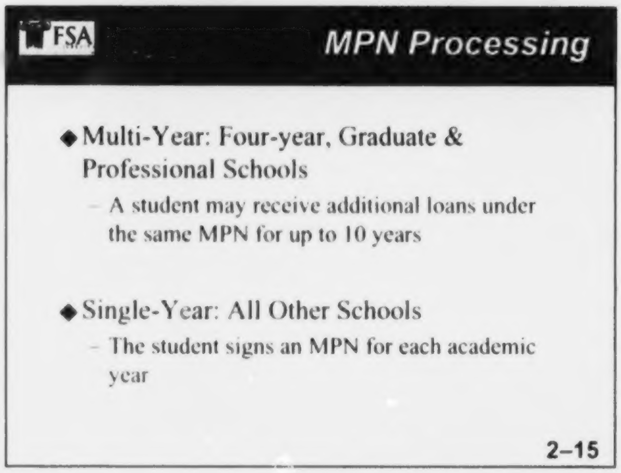
2–14

Master Promissory Note (MPN)

An MPN is a legal document requiring the borrower to repay all funds disbursed under the Direct Loan Program. The MPN is the only approved promissory note for Direct Subsidized and Direct Unsubsidized Loans for use by all schools and is designed for use as both a single-year and multi-year note. The MPN is printed by either the school or the LOC and signed by the borrower.

The school also has an option of allowing students to complete an electronic MPN for Direct Subsidized and Direct Unsubsidized Loans. The school must complete/modify the School Profile option on the COD Web site to identify the process options for completing the electronic MPN. The Web site for the student to complete the electronic MPN is located at **http://dlenote.ed.gov/**

***Note**: Additional information regarding MPNs is found in Session 4.*



MPN Processing

- Multi-Year: Four-year, Graduate & Professional Schools
  - A student may receive additional loans under the same MPN for up to 10 years
- Single-Year: All Other Schools
  - The student signs an MPN for each academic year

How Schools Process MPNs

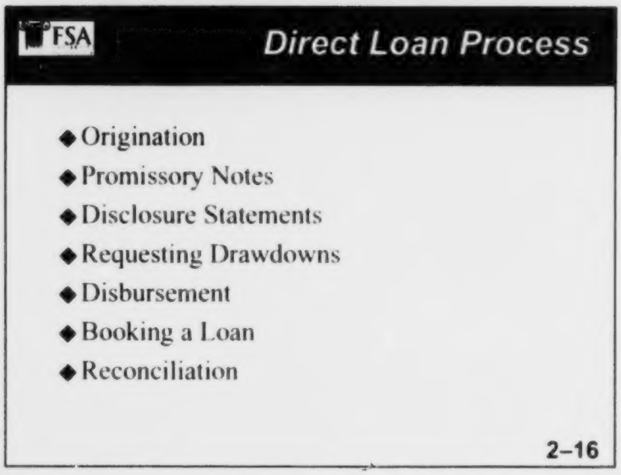
Schools process MPNs using either multi-year or single-year functionality. A school must meet certain criteria to be eligible for multi-year functionality. However, a school may choose single-year functionality even if they are eligible for multi-year functionality. A borrower may also request single-year use of MPNs at a school that otherwise uses multi-year MPNs.

Multi-Year Functionality

Multi-year functionality for the MPN applies to all 4-year, graduate, and professional schools not subject to an emergency action or limitation, suspension, or termination action per Direct Loan Regulations. Borrowers at schools processing MPNs using multi-year functionality need sign only one MPN for all subsidized and unsubsidized loans. The MPN does not have to be from your school if the borrower had prior Direct Loans from another Direct Loan school.

Single-Year Functionality

Schools processing MPNs using single-year functionality must generate a new MPN for each academic year for each borrower.



FSA

Direct Loan Process

- Origination
- Promissory Notes
- Disclosure Statements
- Requesting Drawdowns
- Disbursement
- Booking a Loan
- Reconciliation

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Overview of the Direct Loan Process

Origination

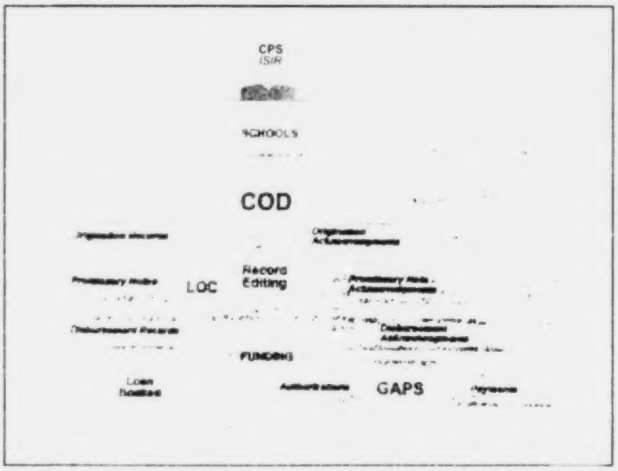
Schools participating in the Direct Loan Program are required to enter loan data and to submit loan origination records to the COD system. Loan records are batched by loan type (subsidized/unsubsidized or PLUS). These loan origination batches are transmitted to COD via the SAIG. Upon processing the loan origination batches, the COD system sends a Loan Origination Acknowledgement to the school via the SAIG. This acknowledgement informs the school which loan records were accepted and which were rejected by the COD system.

When processing PLUS loan origination records, the COD system obtains a credit decision on each parent loan borrower and sends the results to the school in the acknowledgement. The PLUS loan funds cannot be disbursed without an accepted credit decision. You may also use the COD Web site to perform the credit check prior to completing the origination record to save effort if the borrower has adverse credit.

Promissory Notes

MPNs and PLUS Promissory Notes are printed by the LOC or the school. When schools print promissory notes, the school is responsible for obtaining the signed notes and forwarding them to the LOC. If the LOC prints the promissory notes, the notes are either sent directly to the borrower or to the school to distribute to the borrower. The signed and completed notes are then returned to the LOC. The LOC processes the notes and a Promissory Note Acknowledgement indicating the accepted notes is returned to the school by the COD system. Rejected promissory notes are returned to the school for corrections.

☺ ***Tip**: Send the paper promissory notes to the LOC via a traceable delivery method to ensure your ability to track the shipment.*


CPS
ISIR
SCHOOLS
COD
Origination Records
Origination Acknowledgements
Promissory Notes
LOC
Record Editing
Promissory Note Acknowledgements
Disbursement Records
Disbursement Acknowledgements
FUNDING
Authorizations
GAPS
Payments

Disclosure Statements

The Disclosure Statement is a document used in conjunction with the MPN that specifies borrower information including loan amounts, anticipated disbursement net amounts, and anticipated disbursement dates.

A Disclosure Statement must be provided to the borrower prior to, or at the time of, the disbursement of funds. Disclosure Statements are printed and mailed to the borrower by the COD system thirty calendar days prior to the first anticipated disbursement date of the loan. If the first disbursement for a loan is received by the COD system before the 30-day criteria, a Disclosure Statement is printed at that time. Schools have the discretion to print Disclosure Statements any time prior to, or at the time of, disbursement.

If subsequent loans are originated on an MPN already on file at COD, the COD system sends the borrower a Plain Language Disclosure Statement reiterating the terms of the MPN.

Requesting Drawdowns

Drawdowns are requested electronically by the schools or the COD system from the Grant Administration and Payment System (GAPS). Direct Loan funds are wired electronically from the Federal Reserve Bank to the bank account each school maintains for receiving and disbursing federal funds.

Disbursement

Schools submit disbursement records to the COD system. Schools can make adjustments to disbursements. Disbursement and adjustment records are exported to a file and transmitted to the COD system via the SAIG using EDconnect. Upon processing the records, the COD system sends a disbursement acknowledgement to the school via the SAIG. This acknowledgement informs the school which disbursement and adjustment records were accepted and which were rejected by the COD system.

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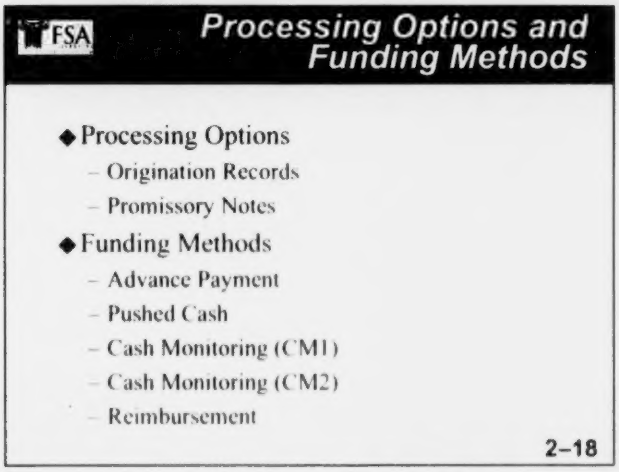
Booking a Loan

A loan is considered booked when the COD system has an accepted loan origination record, an accepted MPN/PLUS Promissory Note, and an accepted first disbursement. A loan must be booked in order to obtain a binding obligation between the borrower and the Department of Education. A school is liable for the funds until the loan is booked.

Reconciliation

Schools must reconcile the Direct Loan records on file in the COD system with the school's internal Direct Loan records. This process is called Reconciliation and must be performed by a school on at least a monthly basis.



Processing Options and Funding Methods

- Processing Options
  - Origination Records
  - Promissory Notes
- Funding Methods
  - Advance Payment
  - Pushed Cash
  - Cash Monitoring (CM1)
  - Cash Monitoring (CM2)
  - Reimbursement

2-18

Processing Options

Schools participating in the Direct Loan Program originate loans, obtain promissory notes, and draw down funds. All schools create and submit origination records to the COD system. Schools have the option to print their own MPN/PLUS promissory notes or have the printing function performed by the LOC.

For award year 2002–2003, schools continue to access cash through the Grant Administration and Payment System (GAPS). Schools' ability to receive additional cash to fund their Direct Loan programs is contingent upon substantiating disbursements. Schools substantiate disbursements by submitting actual disbursements. Your school will use one of the drawdown methods described below.

Funding Methods

Advance Payment

Under the Advance Payment funding method, schools request cash through GAPS for estimated disbursements to students/borrowers within three (3) business days. In addition, schools may only draw down cash up to the difference between the school's Current Funding Level (CFL) and the amount of funds previously sent to the school for a given award year and program. The U.S. Treasury transmits funds to the school's bank.

Pushed Cash

Under the Pushed Cash funding method, a school has cash deposited in its bank account based on actual disbursements that are submitted and accepted by the COD system and the CFL calculation.

Cash Monitoring 1 (CM1)

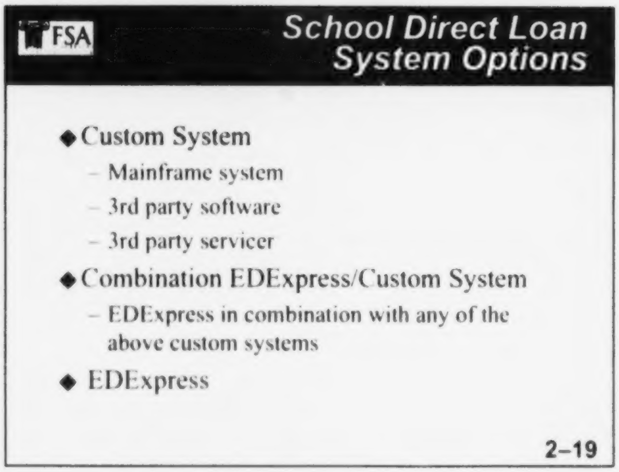
A school is placed on Cash Monitoring 1 (CM1) by FSA. Under the CM1 funding method, a Direct Loan school may draw down cash through GAPS or have cash deposited in its bank account based on actual disbursements submitted to and accepted by the COD system. If a school is on CM1 at the beginning of the award year, it will not have access to money until it has accepted actual disbursements on the COD system.

Cash Monitoring 2 (CM2)

A school is placed on Cash Monitoring 2 (CM2) by FSA. Under the CM2 funding method, a school has cash deposited in its bank account based on actual disbursements submitted to and accepted by the COD system and the CFL calculation.

Reimbursement

Under the Reimbursement funding method, a school has cash deposited in its bank account based on actual disbursements submitted to and accepted by the COD system and the CFL calculation.



FSA

School Direct Loan System Options

- Custom System
  - Mainframe system
  - 3rd party software
  - 3rd party servicer
- Combination EDExpress/Custom System
  - EDExpress in combination with any of the above custom systems
- EDExpress

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Custom System

A custom system must support all the necessary tasks required to participate in the Direct Loan Program involving all the steps outlined earlier in this session.

A custom system may be:

- A mainframe system or software developed by your school,
- A purchased software package from a third-party software provider that includes a Direct Loan module, or
- A contracted third-party servicer to process Direct Loans for your school.

Record layouts to assist in the implementation of a custom system can be found in the *Direct Loan Technical Reference*.

Combination EDExpress/Custom System

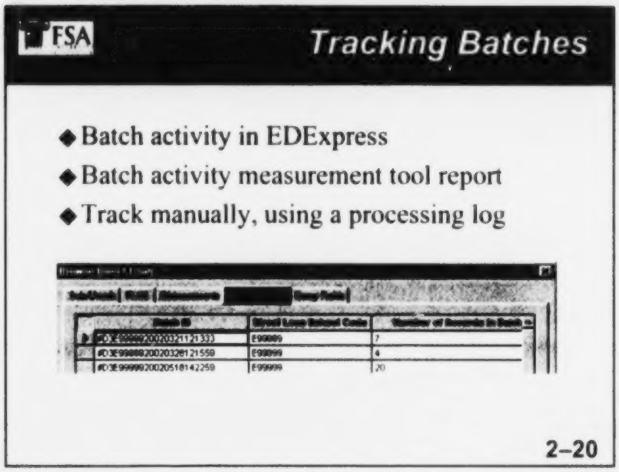
A combination system uses some of the functions provided by EDExpress in conjunction with an external system(s) or software from another vendor. EDExpress allows you to:

- Import data captured in other on-campus systems and/or
- Export data from the EDExpress database to other on-campus systems.

Record layouts to assist in the implementation of a combination system can be found in the *Direct Loan Technical Reference*.

EDExpress

EDExpress is a comprehensive financial aid management system provided by the Department of Education at no cost to the user. It is a student-based system that allows you to perform all the necessary tasks required to participate in the Direct Loan Program.



FSA

Tracking Batches

- ◆ Batch activity in EDExpress
- ◆ Batch activity measurement tool report
- ◆ Track manually, using a processing log

2–20

Tracking Batches

It is very important to track individual batches sent to the COD system and the acknowledgements of those batches received from the COD system.

Batch Activity is a tool in EDExpress that tracks these batches. Every time you export or import data from EDExpress, the software records an entry in the Batch Activity database. You can also print a Direct Loan measurement tool report for batch activity.

The Batch Activity database shows:

- Batch ID
- Direct Loan School Code
- Number of records in the batch
- Number of records accepted, rejected, or pending in the batch
- Confirmation date of the batch
- Number of times the batch has been regenerated and ID of user who regenerated the batch
- Date, time, and size of the regenerated batch
- Import/Export path and filename
- Import/Export COD flag
- ID of user who created the batch and date and time of the batch creation
- ID of user who updated the batch and date and time of the last update

You may want to devise a processing log to track batches in EDExpress. Since EDconnect is a separate process you may want to track these batches as well. This processing log would include the type of data sent, the date it is sent, and when that data is acknowledged.

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Instructor Demonstration: Batch Activity

Every time you export or import data from EDExpress, EDExpress records an entry in the Batch Activity database. In this demonstration, we view the Batch Activity database that displays the details of each batch ID:

Step	Action
1	From the Windows desktop, click **Start.**
2	Select **Programs/EDESuite/EDExpress 2002–2003/2002–2003 EDExpress for Windows**.
3	Type **DL** as your User ID.
4	Type **DL** as your Password.
5	Select **Tools/Browse/Direct Loan** from the menu bar. The Browse Direct Loan dialog box displays.
6	Select the **Batch Activity** tab and scroll to view the details on each batch ID.
7	Click **OK** when you are finished viewing.

Lesson 2 Activity # 1

Review the steps of the DL process as described earlier in the lesson. Then complete the worksheet by connecting the steps with actions or events that occur during the step.

Origination

Promissory Notes

Disclosure Statements

Requesting Drawdowns

Disbursement

Booking a Loan

Reconciliation

Enter Loan Data

Includes loan amounts and anticipated disbursement dates

Monthly process

Obtain credit decision

Print Prom Notes

Manifest

Receive Acknowledgement

Enter Disbursements or corrections

Batch Records

Accepted MPN and first disbursement

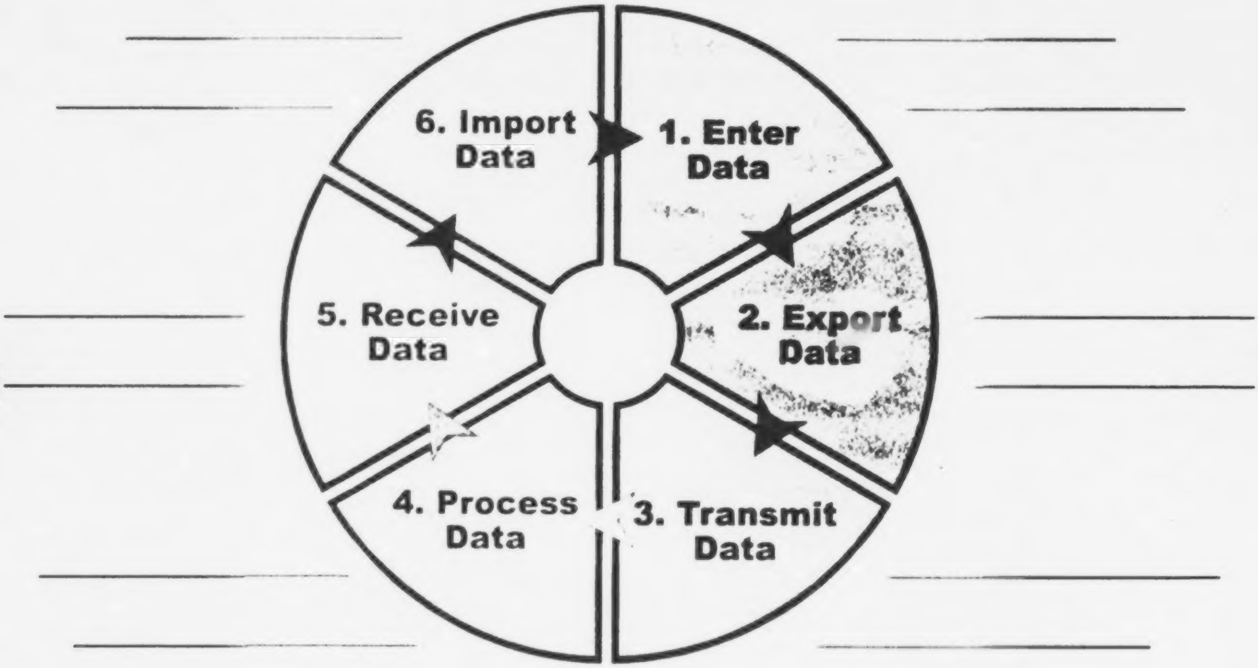
Receive Acknowledgement

GAPS

Lesson 2 Activity #2

You Are the Process

How does the origination record move through the system? In this activity you will actually "be" the record or one of the processes. Which piece of software is used for each step? What organization processes or handles the data at each step?


1. Enter Data
2. Export Data
3. Transmit Data
4. Process Data
5. Receive Data
6. Import Data

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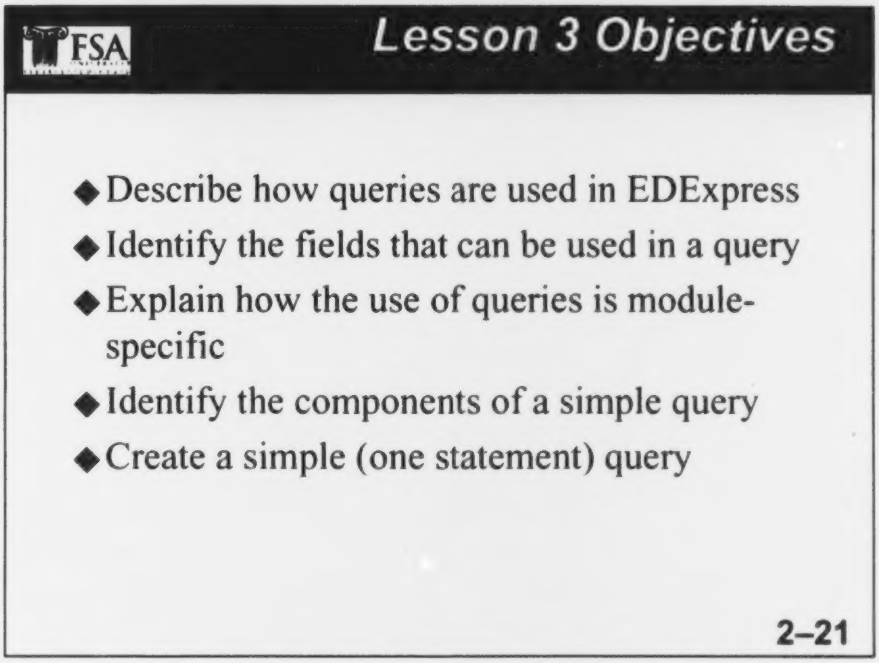
Session 2—Overview of the Direct Loan Process

Lesson 3: Using Queries



Lesson 3 Objectives

- Describe how queries are used in EDExpress
- Identify the fields that can be used in a query
- Explain how the use of queries is module-specific
- Identify the components of a simple query
- Create a simple (one statement) query

2–21

Key Terms

Field

A component of a query statement. Each student record has fields such as loan amount, loan status, college grade level, etc.

Operator

A component of a query statement. Describes the relationship between a data field and its specified value. Operators used in EDExpress are:

=	Equal to
>	Greater than
>=	Greater than or equal to
<	Less than
<=	Less than or equal to
<>	Not equal to
Like	Similar to
Not Like	Different from

Like

An operator that is used in a query to find values in a field that match a specified pattern or "character string."

Null Value

A value that indicates missing data in a data field.

Query

A request to retrieve data from EDExpress using criteria that you specify.

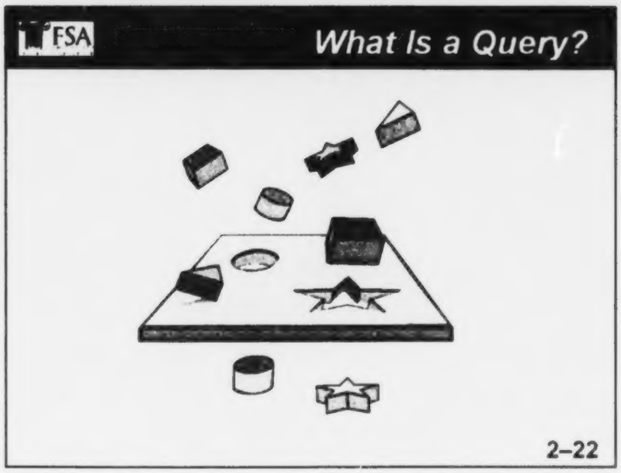
Parameter Query

A type of query that has fixed fields but not fixed values. When you create a parameter query, you specify the field name and operator for the query. Instead of specifying a value, you use the Prompt at Execution option. This option tells EDExpress to prompt you for the field value at the time you use the query.

Key Terms (continued)

User-defined Fields

Special fields that you create for your own use. User-defined fields can be used in all modules for building queries.



What Is a Query?

2–22

What Is a Query?

A query is a request for certain records from your EDExpress database. A query describes records meeting certain criteria that you specify.

Think of a query as a lid on a box with geometric-shaped holes. Only objects that have the correct shape can be placed in the box; others do not fit. In this case the query (the lid) has been defined to select circles and stars, and to exclude all other objects.

Why Create a Query?

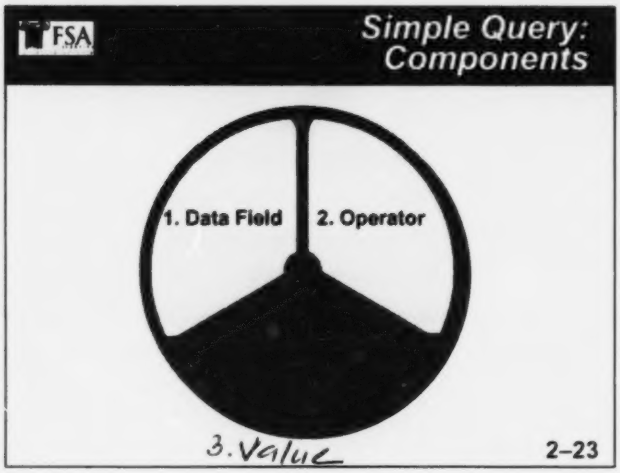
Use a query any time you want to work with a subset of all the records on your database. For instance, you may want to print a list of loans for students whose MPN or PLUS Promissory Note is ready to print. Or you might want to create unsubsidized loan records for all dependent students with parent's credit decisions of credit denied.

Queries are used in all modules of EDExpress to perform specific functions, such as printing, multiple entry, and exporting. Generally, any time working with a subset of records makes sense, EDExpress provides the option to use a query. Queries are available in any dialog box where you see the Selection Criteria button enabled. A list of all of the functions that make use of queries within the Direct Loan module is displayed on the following page.

Functions Using Queries in EDExpress Direct Loan

Direct Loan

1. Print List- Anticipated Disbursement
2. Print List-Loan Eligibility
3. Print List-Actual Disbursement
4. Print List-Loans
5. Print List-Sub/Unsub MPN
6. Print List-Status
7. Print List-PLUS Promissory Note
8. Print Origination Record
9. Print Promissory Note Sub/Unsub
10. Print Promissory Note PLUS
11. Print Manifest- Sub/Unsub
12. Print Manifest-PLUS
13. Print Deferment Request
14. Print Disclosure Statement- Sub/Unsub
15. Print Parent Borrower Mailing Labels
16. Multiple Entry
17. Import Loan Data—ISIR
18. Import Loan Data—Packaging
19. Export Full Origination (Sub/Unsub)
20. Export Full Origination (PLUS)
21. Export Change
22. Export Disbursement
23. Export External Loan Data



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Simple Query: Components

2–23

Components of a Simple Query Statement

A query statement has three components:

1. Data field
2. Operator
3. Value

The following are simple query statements:

Data Field	Operator	Value
(LOAN AMOUNT APPROVED	>	0)
(GRADE LEVEL IN COLLEGE -DL	<=	"5")
(HAS LOAN RECORD	=	"Y")
(ADD DATE—LOAN	=	"20020615")
(PARENT BORROWER'S LAST NAME	LIKE	"PAT")
(E-MAIL ADDRESS	<>	NULL)

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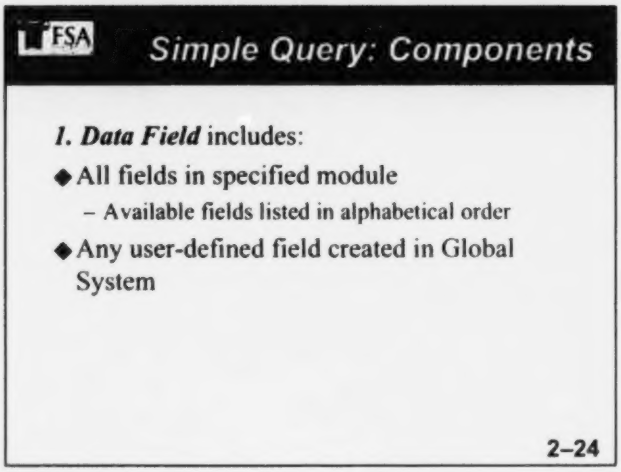

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Simple Query: Components

1. ***Data Field*** includes:

- ◆ All fields in specified module
  - – Available fields listed in alphabetical order
- ◆ Any user-defined field created in Global System

2–24

Data Field

Nearly 750 data fields in EDExpress can be used to build a query. There are more than 150 fields available specifically for Direct Loan queries.

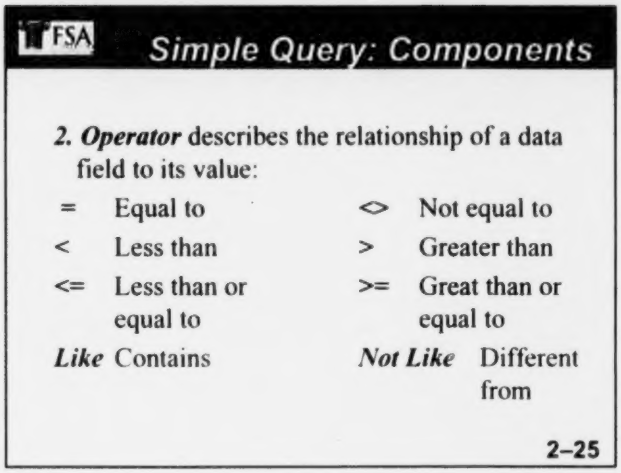
However, keep in mind that not all data fields are available for all queries. Each module of EDExpress (Global, App Express, Packaging, Direct Loan, and Pell) contains a different set of data fields and performs a different set of functions. You can't mix and match functions you want to perform in one module with queries that select data from fields in another module. For example, you can't print a list of ISIRs (an App Express function) for students who have a loan amount approved greater than zero (a Direct Loan module data field). So, in designing your queries, keep in mind the functions and data fields available.

An easy way to see what fields are available in each module of EDExpress is to use the Browse function. Query Fields is one of the browse features. Listed under Tools in the main menu, this feature allows you to view all the fields available for queries in each module of EDExpress. Query Fields also gives field parameters including valid values for each field. Like all the EDExpress browse functions, Query Fields employs grid functionality. This allows you to view, display, sort, copy/paste, print, or export data quickly.

When you build your query, the fields that are available are presented in alphabetical order in a drop-down list.

User-defined fields can also be used in a query. These are special fields that you create for your own school's use. Unlike standard EDExpress fields that are module specific, user-defined fields are available in **all** modules for building queries.

Note: *A list of query fields available in the Direct Loan module of EDExpress is located in Appendix A.*



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Simple Query: Components

2. **Operator** describes the relationship of a data field to its value:

=	Equal to	<>	Not equal to
<	Less than	>	Greater than
<=	Less than or equal to	>=	Great than or equal to
Like	Contains	***Not Like***	Different from

2–25

Operator

Use an operator to describe the relationship of the data field to a specified value. Valid operators include:

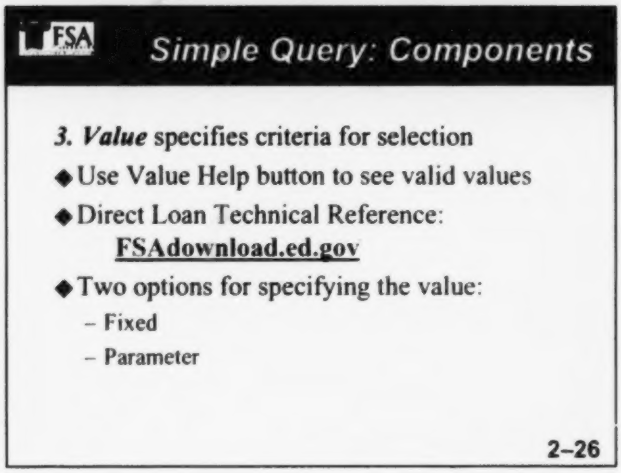
= (equal to); > (greater than); >= (greater than or equal to); < (less than); <= (less than or equal to); <> (not equal to); Like; and Not Like.

Use the Like operator to find values in a field that match the pattern you specify. For example:

(LOCAL ADDRESS LIKE "*PINE*")	Records with street addresses that include the characters "PINE"
(LAST NAME—DEMO LIKE "*GE*")	Records with last names that include the characters GE

Also, be careful when using the <> (not equal to) operator because it will not recognize NULL values (blanks). For example, the field "LOAN STATUS" has five valid values: N (Not Ready), R (Ready), B (Batched), A (Accepted), and E (Rejected). The following query would count records with a value of N, R, B, or E; records with a missing value in this field would not be considered:

(LOAN STATUS <> "A")



Simple Query: Components

3. Value specifies criteria for selection

◆ Use Value Help button to see valid values

◆ Direct Loan Technical Reference:
FSAdownload.ed.gov

◆ Two options for specifying the value:
  - Fixed
  - Parameter

Value

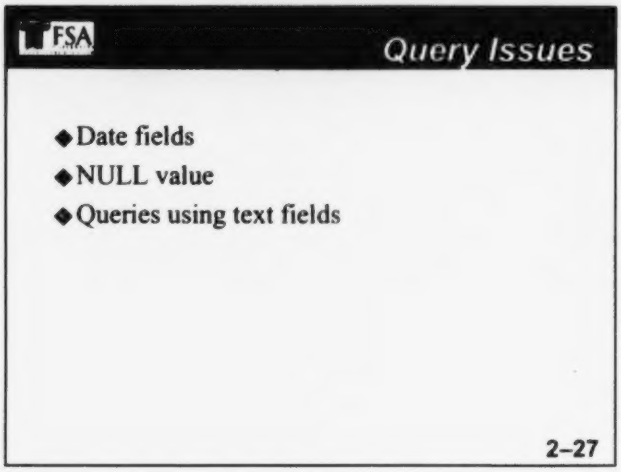
Specifying the value is the third step in building a query.

The value must be valid. Use the Value Help button to obtain the range of valid values for the data field. For certain fields, the Value Help button directs you to the *Direct Loan Technical Reference* for a list of the valid values. Also, you can download the *2002–2003 Direct Loan Technical Reference* in Adobe PDF and MS Word format from:

FSAdownload.ed.gov

You have two options when specifying a value for your query:

- **Fixed values**
  - You can provide a value at the time you create the query. This value is a constant; it is automatically used each time the query is run.
- **Parameter values**
  - You can choose a value each time you run a query. Leave the value field blank at the time you create the query and mark the Prompt at Execution box. This type of query is often known as a parameter query.
  - Parameter queries are convenient if you query on the same fields regularly but want to use different values. For example, if you routinely print a list of loan records and you want it to include records within a different SSN range each time you print the list, you can set up a query using the SSN field, an operator, and the Prompt at Execution option. Then, whenever you use the query, EDExpress prompts you to enter the range of SSNs you want to use at that time.



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Query Issues

- Date fields
- NULL value
- Queries using text fields

2–27

Date Fields

Enter the value for date fields in CCYYMMDD format. For example, 20020615 is June 15, 2002. A special Current Date option is provided for date fields. Mark this checkbox to use the current date. Remember, EDExpress uses your PC's system date for this value.

Null Values

You may want to create a query that identifies a missing value in the specified field. If you need to identify missing values, leave the Value field blank. When you click the Append button to create your query and the value you choose is a text character, "NULL" displays. If the field is numeric, 2000000002 displays.

Queries Using Text Fields

When querying for a list of records using a text field, such as Last Name, you must be careful with the values you use. Use the operators > (greater than) and < (less than) and be sure that all the records you want to retrieve are included in the range.

For example, to retrieve a list of records A to L, you must use the query statement LAST NAME < M to be sure that all L records are included. If you use any other statement, you will not retrieve all records from A to L. Here are two more examples:

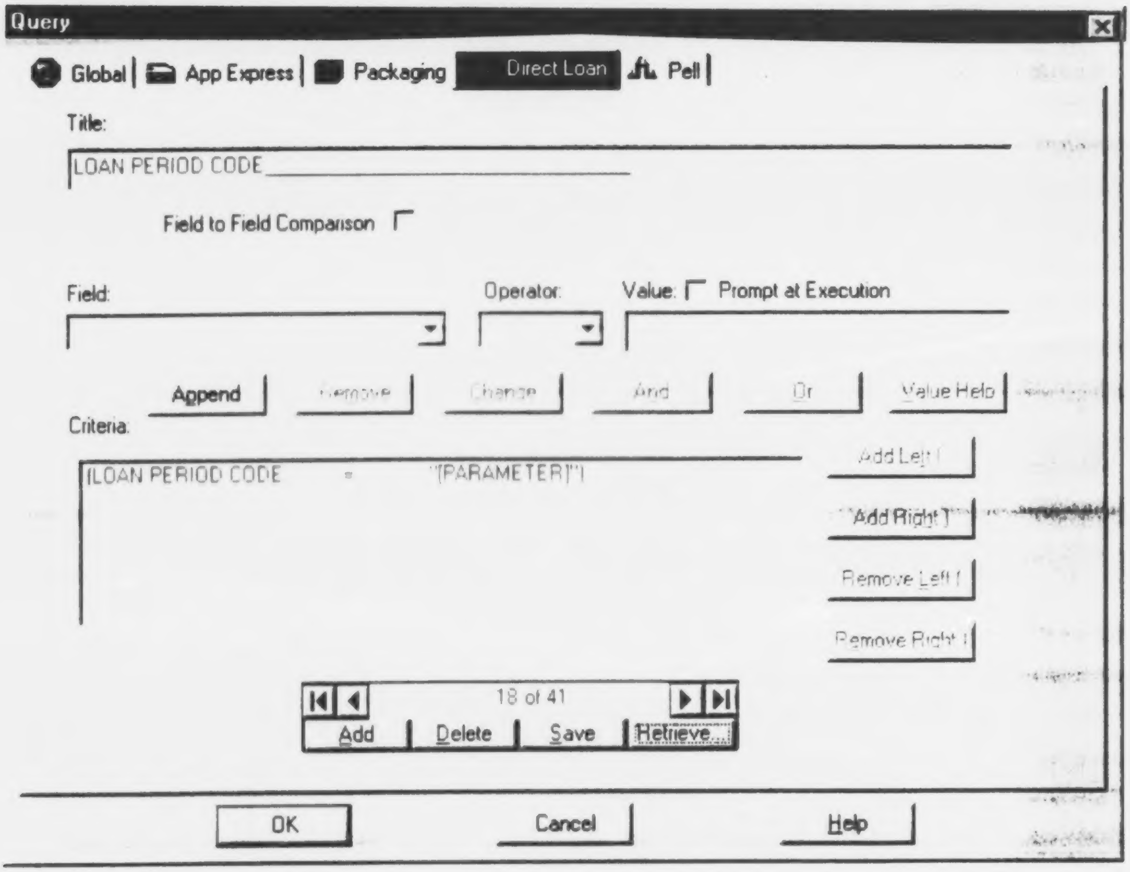
To retrieve a list of records by last name from:	Use this query statement:
A to F	(LAST NAME < "G")
O to Z	(LAST NAME > "N")

Instructor Demonstration: Building a Simple Query

In this demonstration, we build a simple query to select all loan records with a particular Loan Period. The Loan Period Code value can be defined each time the query is executed.

Step	Action
1	Select **Tools/Query** from the menu bar. The Query Dialog box displays.
2	Click the **Direct Loan** tab if it is not already displayed.
3	Select **Add** to build a new query. A blank page displays.
4	Enter the **Title**—something descriptive that readily identifies the query. In this case, enter **Loan Period Code**.
5	Click the **Field** down arrow to see the list of available fields in Direct Loan. With the cursor, select the desired field. In this case, select **Loan Period Code.**
6	Select the appropriate **Operator** by clicking the **down arrow** to see the full list. In this case, select **=**.
7	To make a Parameter Query, leave the **Value** field **blank** and mark the **Prompt at Execution** box. This allows you to select the value for Loan Period Code each time you use the query.
8	Click the **Append** button to add the statement to the query. The following query statement displays: (LOAN PERIOD CODE = "[PARAMETER]")
9	Click **Save**, to save the query. A Record Updates Saved message displays in the lower left-hand corner of the EDExpress status bar.
10	Click **OK**.

Instructor Demonstration: Building a Simple Query (continued)


Query
Global
App Express
Packaging
Direct Loan
Pell
Field to Field Comparison
Field:
Operator:
Value:
Prompt at Execution
Append
Remove
Change
And
Or
Value Help
Add Left (
Add Right)
Remove Left (
Remove Right)
18 of 41
Add
Delete
Save
Retrieve...
OK
Cancel
Help

Title: LOAN PERIOD CODE

Criteria: (LOAN PERIOD CODE = "[PARAMETER]")

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Instructor Demonstration: Testing Your Query

You have created a query titled "Loan Period Code" that selects all records from your Direct Loan database that have a particular "Loan Period Code" value. In this case we will define WS as the parameter to select.

Next, test your query by printing a list of loans.

Step	Action
1	Select **File/Print** from the menu bar.
2	Click the **Direct Loan** tab if it is not already displayed.
3	Click the **down arrow** in the Report text box and choose the type of list you want to print. In this case, select **List—Loans**.
4	Select **Multiple.**
5	Click **Screen** for the output destination.
6	Click **Selection Criteria.**
7	Click the **ellipsis button** next to query title. (The button on the right side of the dialog box with three dots: …) A list of available query displays.
8	Click on the title of the query. In this case, click **Loan Period Code**. Click **OK**.
9	Click **OK** to close the Selection Criteria dialog box. The Parameter Query Entry dialog box displays.
10	Click **List Field Value**. A list of loan period codes defined in setup appears. Select **WS.** Click **OK.**
11	Click **OK** to close the Parameter Query Entry dialog box.
12	Your query displays in the View Query dialog box. Click **Close**.
13	Click **OK** to send the list to the screen. In this case, a list of loans with loan Period Code of WS displays.
14	Click **Zoom In** to magnify the list.
15	Note that your selection criteria (query title) is inserted in the report heading. Total number and amount of loans by type appear at the end of the report.
16	Click **Close** to exit.

Lesson 3 Activity #1

Review the following database of records. Enter the record numbers for each record the query would select.

Record Number	Last Name Demo	First Name Demo	Loan Type	Loan Status	Prom Note Status
1	Bird	Jason	U	B	R
2	Delph	Jane	S	N	T
3	Hart	Fred	P	E	E
4	Justin	Frank	S	A	S
5	Spark	Sue	S	R	A
6	Jay	John	U	R	S
7	Sanchez	Jose	P	N	S

Enter Record Numbers Here:

(PROM NOTE STATUS <> "A") ______________________

(LOAN TYPE = "S") ______________________

(LAST NAME—DEMO < "J") ______________________

(LOAN STATUS = "B") ______________________

(LOAN TYPE <> "P") ______________________

(FIRST NAME—DEMO LIKE "E") ______________________

Lesson 3 Activity #2

Scenario

When you arrive at work this morning, you read an e-mail from your supervisor asking for the number of financial aid applicants who have an accepted Master Promissory Note or PLUS Promissory Note and a list of borrowers whose MPN or Promissory Note is ready to print.

Instructions

Build a simple parameter query in Direct Loan, or select a pre-existing query, to print lists with each condition. Print a list of loans to the screen using your query. Before you get started building your query, though, you need to start EDExpress.

Step	Action
1	From the Windows desktop, click **Start.**
2	Select **Programs/EDESuite/EDExpress 2002–2003/2002–2003 EDExpress for Windows.**
3	Type **DL** as your User ID.
4	Type **DL** as your Password.

Hint: Define the parameter as A, then R when you print your list.

Review

1. How many borrowers have an MPN or PLUS Promissory Note accepted?

    ____

2. What operator and value did you use?

    ____

3. What other operator and value would have yielded the same result?

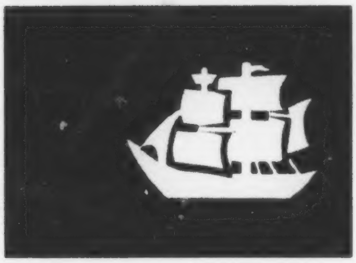
    ____

4. How many borrowers do you have whose MPN or PLUS promissory note is ready to print?

    ____

5. Could you have used another data field to build your query? ____________________

    ____



Session 3: Beginning the Direct Loan Process

Lesson 1—Getting Started
(Direct Loan Setup)

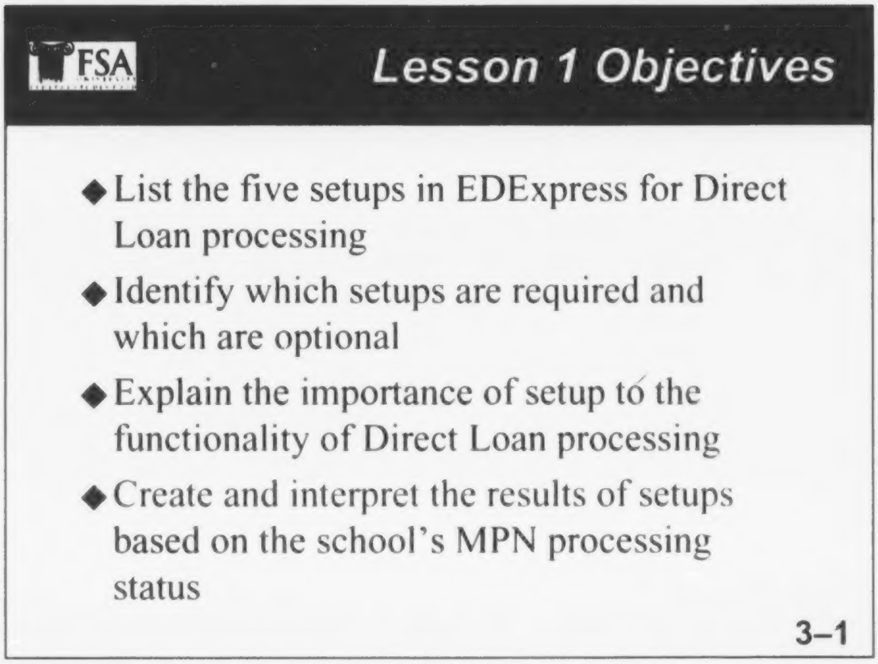
Lesson 2—Creating a Direct Loan Record

Lesson 3—Originating Direct Loan Records

Lesson 4—Exporting and Importing
Origination Records

Session 3—Beginning the Direct Loan Process

Lesson 1: Getting Started: Direct Loan Setup



Lesson 1 Objectives

- List the five setups in EDExpress for Direct Loan processing
- Identify which setups are required and which are optional
- Explain the importance of setup to the functionality of Direct Loan processing
- Create and interpret the results of setups based on the school's MPN processing status

Key Terms

Direct Loan School Code

Your Direct Loan code identifies your school to the Common Origination and Disbursement (COD) system as eligible to participate in the Direct Loan Program and is required by several EDExpress Direct Loan functions. This code is different from your Federal School Code. Your Direct Loan School Code is 6 characters and begins with either a "G" or "E."

Special School

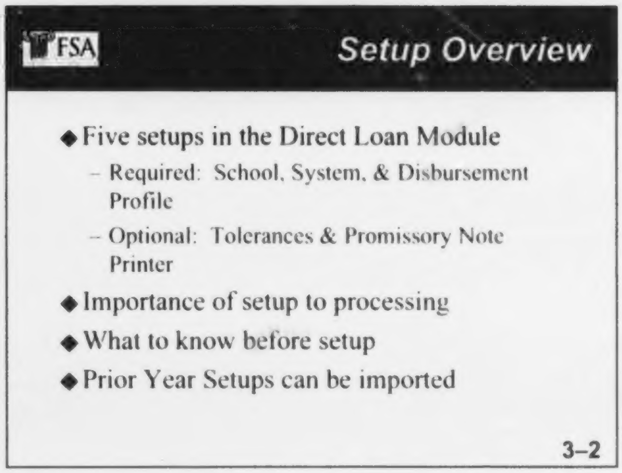
A special school is either an Experimental Site School or a school with a low cohort default rate.

Experimental Site schools are schools that have been approved by the U.S. Department of Education to be exempt from having to post multiple disbursements for a single term loan.

Schools with low default rates may fall into three categories:

- Schools with cohort default rates of less than 10 percent for each of the three most recent fiscal years have a limited exemption from the multiple disbursement requirement. These schools may opt to disburse all loan funds in one disbursement if the loan period is not more than one quarter, one semester, one trimester, or four months. This provision expires September 30, 2002, unless Congress extends the expiration date.
- Schools with cohort rates of less than 10 percent for each of the three most recent fiscal years are exempt from the 30-day delayed delivery of disbursements for first-time, first-year borrowers. This provision expires September 30, 2002, unless Congress extends the expiration date.
- Schools with cohort rates of less than five percent for the most recent fiscal year are exempt from the multiple disbursement requirement and from delayed delivery of disbursements in the case of a loan made to a student to cover the cost of attendance in a program of study abroad approved by the home eligible institution.

61



FSA

Setup Overview

- Five setups in the Direct Loan Module
  - Required: School, System, & Disbursement Profile
  - Optional: Tolerances & Promissory Note Printer
- Importance of setup to processing
- What to know before setup
- Prior Year Setups can be imported

3–2

Why is it important to complete Direct Loan Setup prior to processing loan records?

Before you begin processing direct loans you must first establish system parameters specific to the Direct Loan module. These setups include School, System, Disbursement Profile, Tolerances, and Promissory Note Printer.

School, System, and Disbursement Profile setups are required to create Direct Loan records.

Tolerances and Promissory Note Printer setups are optional and may be set up as needed.

Before entering your setup, you must know:

- Your school's Direct Loan school code or codes if processing for multiple schools
- Whether your school is processing MPNs using multi-year or single-year functionality
- Whether your school is eligible to disburse in one disbursement for a single term loan
- Your school's academic year start and end dates, loan periods, and anticipated disbursement dates

Information you enter in EDExpress Direct Loan Setup affects information used to pre-populate data fields in the loan and disbursement records. Incorrect information in setup may lead to data entry errors or cause loan records to be rejected or processed incorrectly by the COD system.

Note: *If your school used version 7.x of EDExpress, you can import your prior year setups.*

FSA **School Setup (Required)**

- ◆ Establishes one or more school codes used to process Direct Loans
- ◆ Must have at least one school code
- ◆ Enter as many as needed if processing for more than one school code
- ◆ Verify address information in Global School setup

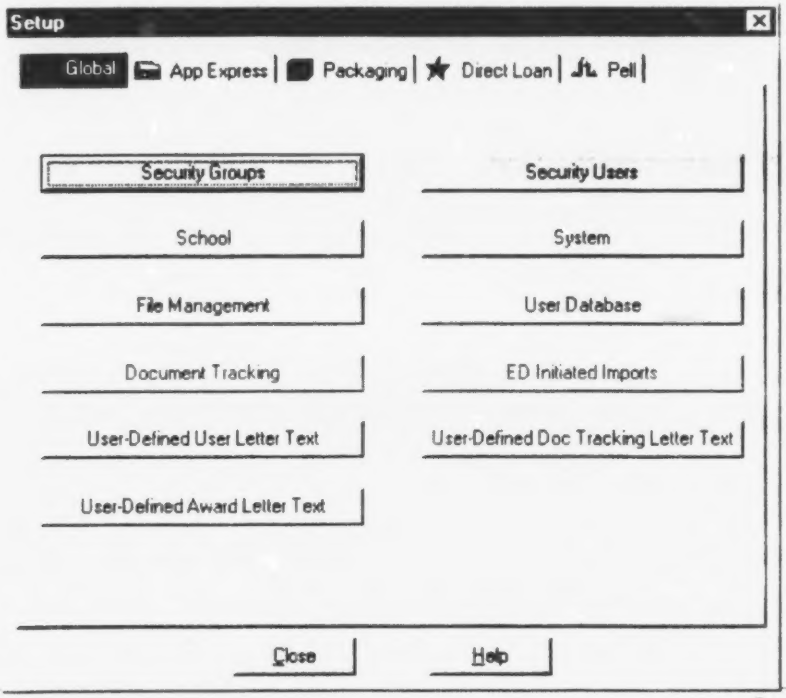
3–3

School Setup (Required)

The Direct Loan school codes you establish here are available when you create disbursement profiles and loan records, and perform other functions in EDExpress.

If you are processing for one school, you have one Direct Loan School Code. If you process records for more than one school, you can enter as many codes as necessary. Use this function to list all the codes that you need to use throughout the year.

Verify that the information for your particular school code or codes is correct in Global School Setup. Access this function by selecting **Tools/Setup/Global/School**.


Setup
Global
App Express
Packaging
Direct Loan
Pell
Security Groups
Security Users
School
System
File Management
User Database
Document Tracking
ED Initiated Imports
User-Defined User Letter Text
User-Defined Doc Tracking Letter Text
User-Defined Award Letter Text
Close
Help

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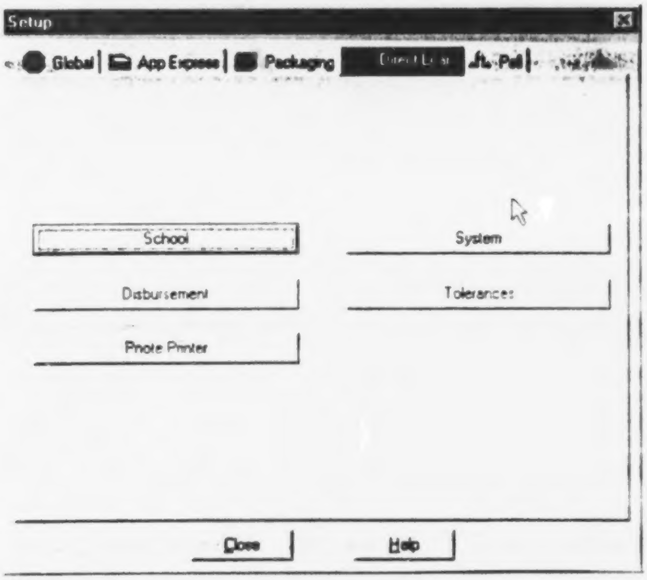
Instructor Demonstration: Direct Loan School Setup

In this demonstration, we view Direct Loan School Setup.

Step	Action
1	Select **Tools/Setup** from the menu bar, **Direct Loan** tab/**School** button from the Setup dialog box.
2	Type your Direct Loan school code or codes in the field provided, in this case **G01001**. Press the Enter key on your keyboard to display additional lines as needed. In this example, E99999 is already displayed. **-OR-** Click the **School…** button. This displays a grid listing the Direct Loan school codes and the school name.
3	Select your school by clicking on the school code, in this case **G01001**, or the school name.
4	Click **OK**. The School Setup dialog box displays again. Your school code is now listed.
5	Repeat Steps 2 through 4 to add additional school codes if needed. In this case, we'll add **E00500**.
6	Click **OK**. A "Record Updates Saved" message displays in the lower left-hand corner of the EDExpress status bar and you are returned to the main menu.


Setup
Global
App Express
Packaging
Direct Loan
Pell
School
System
Disbursement
Tolerances
Phone Printer
Close
Help

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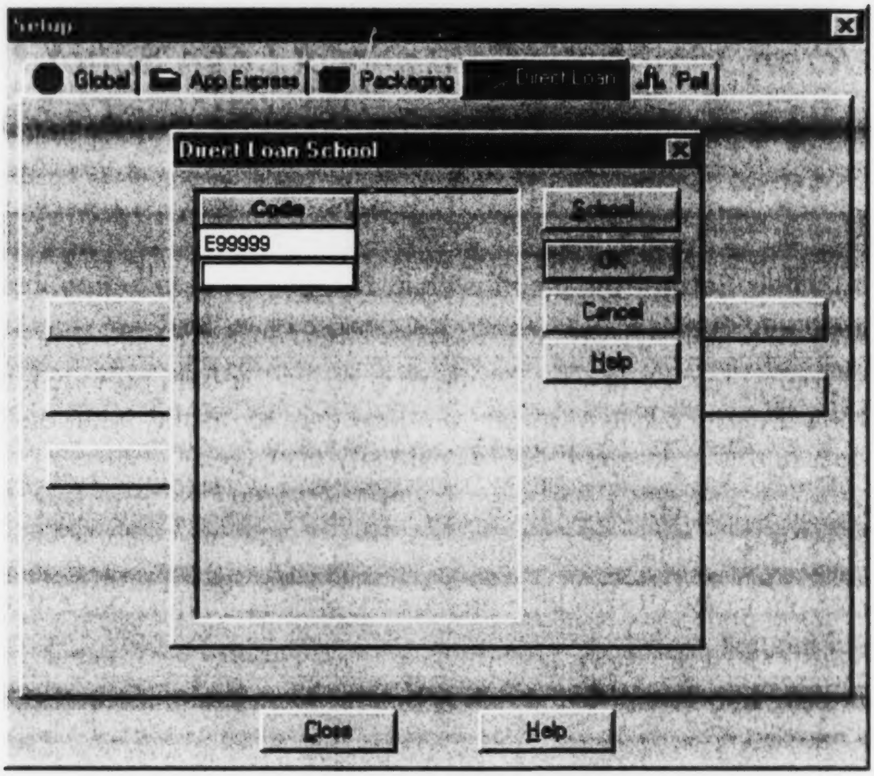
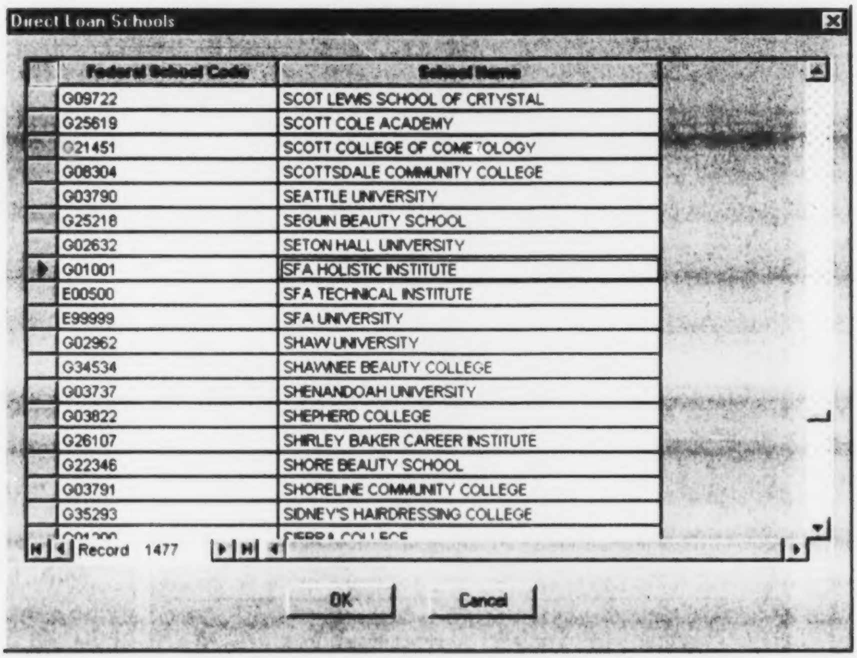

Setup
Global
App Express
Packaging
Direct Loan
Pell
Direct Loan School
School
OK
Cancel
Help
Close
Help

Code: E99999


Direct Loan Schools
OK
Cancel

Federal School Code	School Name
G09722	SCOT LEWIS SCHOOL OF CRTYSTAL
G25619	SCOTT COLE ACADEMY
G21451	SCOTT COLLEGE OF COMETOLOGY
G08304	SCOTTSDALE COMMUNITY COLLEGE
G03790	SEATTLE UNIVERSITY
G25218	SEGUIN BEAUTY SCHOOL
G02632	SETON HALL UNIVERSITY
G01001	SFA HOLISTIC INSTITUTE
E00500	SFA TECHNICAL INSTITUTE
E99999	SFA UNIVERSITY
G02962	SHAW UNIVERSITY
G34534	SHAWNEE BEAUTY COLLEGE
G03737	SHENANDOAH UNIVERSITY
G03822	SHEPHERD COLLEGE
G26107	SHIRLEY BAKER CAREER INSTITUTE
G22346	SHORE BEAUTY SCHOOL
G03791	SHORELINE COMMUNITY COLLEGE
G35293	SIDNEY'S HAIRDRESSING COLLEGE

Record 1477

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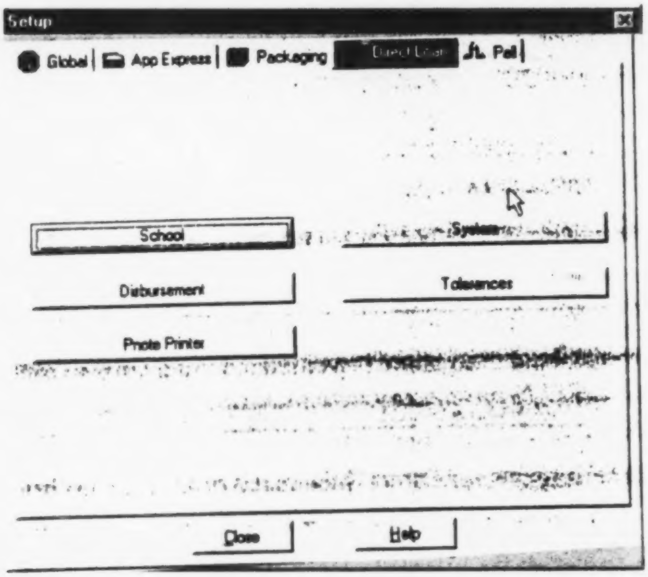
The System settings in Direct Loan setup allow you to define several global parameters for functions used in the Direct Loan module. Access Direct Loan System setup by selecting **Tools/Setup** from the menu bar, then clicking the **Direct Loan** tab/**System** button in the Setup dialog box


Setup
Global
App Express
Packaging
Direct Loan
Pell
School
System
Disbursement
Tolerances
Photo Printer
Close
Help

A description of each field in Direct Loan System setup appears on the next two pages.

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Direct Loan System Setup (Required)

Field	Description
Direct Loan Assumed School Code	This field establishes a default school code for loan entry. It is also the code used in batch IDs when exporting loan records.
Total Prom Notes to be Printed	Specify the number of copies of MPN/PLUS promissory notes to be printed. Valid values are 2 through 9. The default number of copies is 2.
Prom Note Print Option	Specify where the promissory note should be printed. Valid values are: S--LOC prints and sends to borrower R--LOC prints and returns to school O--On-site (using EDExpress); Z--Reprint at LOC; F--Onsite (not using EDExpress to print). The default value is O.
FAA Authorized Official	Type the name of the school official responsible for the awarding of financial aid. The name is printed automatically on each paper MPN/PLUS promissory note manifest.
Sub/Unsub Loan Fee Percentage	The default value, 3.000 (3%), is used for calculating anticipated disbursements for Direct Subsidized or Direct Unsubsidized loans. Change this value only if directed to do so by the Department.
PLUS Loan Fee Percentage	The default value, 4.000 (4%), is used for calculating anticipated disbursements for PLUS loans. Change this value only if directed to do so by the Department.
Sub/Unsub Interest Rebate Percentage	Type the up-front Sub/Unsub Interest Rebate Percentage to be used as the default for calculating the net disbursements for Direct Subsidized or Direct Unsubsidized loans. The default value is 1.500 (1.5%).
PLUS Interest Rebate Percentage	Type the up-front PLUS Interest Rebate Percentage to be used as the default for calculating the net disbursements for PLUS Loans. The default value is 1.500 (1.5%).
Print to (L)ocal or (P)ermanent Address?	This field sets the system default for whichever address is used when printing promissory notes. The default value is P.
Are You a Special School?	Mark this checkbox if you are a special school. Special schools include Experimental Site Schools and schools with low default rates. Checked = yes, blank = no
Prompt to Create an Additional Sub/Unsub Loan During the	Mark this checkbox if you want EDExpress to prompt you to generate a Direct Subsidized or a Direct Unsubsidized loan record automatically when originating a loan. If originating a Direct Subsidized loan it

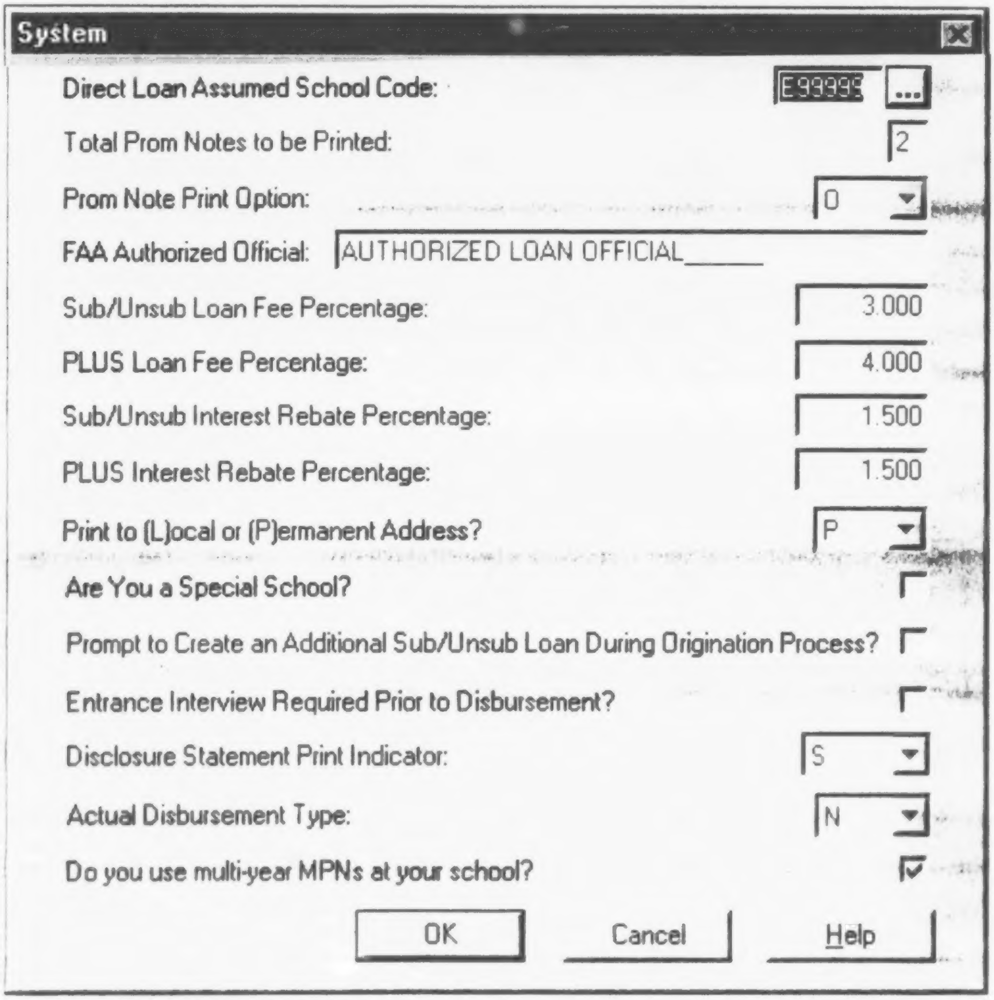
Field	Description
Origination Process?	prompts you to create a Direct Unsubsidized loan. If originating a Direct Unsubsidized loan it prompts you to create a Direct Subsidized loan. Once an additional loan is created the prompt no longer displays. Checked = yes, blank = no.
Entrance Interview Required Prior to Disbursement?	Mark the checkbox if your school would like to track the completion of entrance interviews in the EDExpress software. If this box is checked, EDExpress requires the Loan Entrance Interview date on the Demo tab to be completed before saving an actual disbursement for a first year (grade level = 0 or 1) student.
Disclosure Statement Print Indicator	Specify the location where the Disclosure Statement should be printed. Valid values are: S--The COD system prints (sends to borrower); O--Onsite (school prints and sends to borrower).
Actual Disbursement Type	Specify the method that your school uses to enter actual disbursements. Valid values are G (Gross Actual Disbursement Amounts are entered) and N (Net Actual Disbursement Amounts are entered).
Do You Use Multi-Year MPNs at Your School?	This field should be checked if your school processes MPNs using multi-year functionality. Uncheck this field if your school processes MPNs using single-year functionality.

Instructor Demonstration: Direct Loan System Setup

In this demonstration, we review all the data fields in Direct Loan System Setup.

Step	Action
1	Select **Tools/Setup** from the menu bar, **Direct Loan** tab/**System button** from the Setup dialog box. The Direct Loan System Setup dialog box displays.
2	Type in the school code to be used as a default code in the Direct Loan Assumed School Code Field or click the **ellipsis (...)** button to select from the school codes that were set up in the Direct Loan School Setup. In this case, **E99999** is already displayed.
3	The Total Prom Notes to be Printed field is displayed as 2. Change if needed.
4	Enter the appropriate code for Prom Note Print Option according to your school's promissory note process. In this example, the value is displayed as O for Onsite (EDExpress).
5	Type the name of the school official responsible for the award of financial aid. In this case, Authorized Loan Official has been entered.
6	Leave the Sub/Unsub Loan Fee Percentage as 3.000.
7	Leave the PLUS Loan Fee Percentage as 4.000.
8	Leave the Sub/Unsub Interest Rebate Percentage as 1.500.
9	Leave the PLUS Interest Rebate Percentage as 1.500.
10	The Print to Local or Permanent Address? field is P for permanent address. Change if needed.
11	The Are You a Special School? checkbox is unchecked for this example.
12	The checkbox for Prompt to Create an Additional Sub/Unsub Loan During Origination Process? is unchecked in this example.
13	The checkbox is unchecked for Entrance Interview Required Prior to Disbursement?

14	Enter the option for Disclosure Statement Print Indicator. In this case, S is displayed for The COD system prints (sends to borrower).
15	Enter the option for Actual Disbursement Type. In this case, N is displayed for Net Actual Disbursement Amounts.
16	The checkbox is marked for Do You Use Multi-Year MPNs at Your School? in this example.
17	Click **OK** if you made any changes. A "Record Updates Saved" message displays in the lower left-hand corner of the EDExpress status bar and you are returned to the main menu.



Direct Loan Assumed School Code: E9999
Total Prom Notes to be Printed: 2
Prom Note Print Option: O
FAA Authorized Official: AUTHORIZED LOAN OFFICIAL
Sub/Unsub Loan Fee Percentage: 3.000
PLUS Loan Fee Percentage: 4.000
Sub/Unsub Interest Rebate Percentage: 1.500
PLUS Interest Rebate Percentage: 1.500
Print to (L)ocal or (P)ermanent Address? P
Are You a Special School? ☐
Prompt to Create an Additional Sub/Unsub Loan During Origination Process? ☐
Entrance Interview Required Prior to Disbursement? ☐
Disclosure Statement Print Indicator: S
Actual Disbursement Type: N
Do you use multi-year MPNs at your school? ☑

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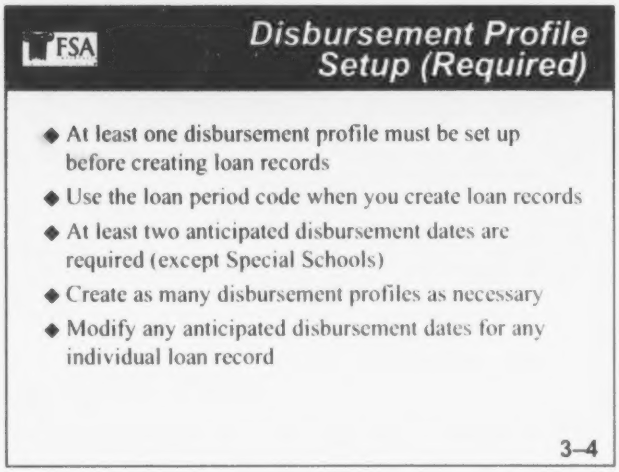


Disbursement Profile Setup (Required)

- At least one disbursement profile must be set up before creating loan records
- Use the loan period code when you create loan records
- At least two anticipated disbursement dates are required (except Special Schools)
- Create as many disbursement profiles as necessary
- Modify any anticipated disbursement dates for any individual loan record

3–4

Disbursement Profile Setup (Required)

A disbursement profile contains academic year start and end dates, loan periods, and anticipated disbursement dates.

- At least one disbursement profile must be set up before you can create loan records.
- Assign a loan period code to each disbursement profile.
- When a loan period code is used to create a loan record, the software updates the loan record with all the information provided in the specific disbursement profile.
- Anticipated disbursement dates can be used to estimate drawdown requests. These dates are used by the COD system to generate the Pending and Funded Disbursement lists for schools that receive funds based on accepted actual disbursements. All schools may use these dates to print a List-Anticipated Disbursement report in EDExpress.
- You must have at least two anticipated disbursement dates associated with a disbursement profile (except Special Schools). Subsidized and unsubsidized loans can contain up to 20 anticipated disbursement dates. PLUS loans can have up to 4 disbursements.
- Disbursement profiles containing more than four disbursements cannot be used to create PLUS loans at the record level or when importing from another module. You may want to set up separate PLUS disbursement profiles.

If you import disbursement profiles from a prior year, you must change the dates to activate the profile.

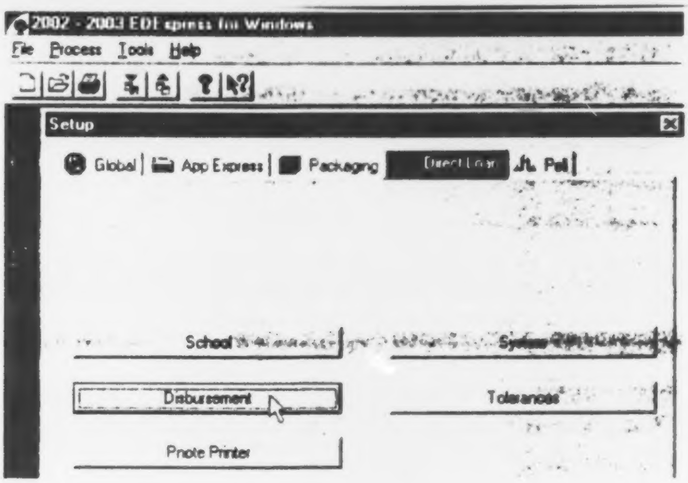
A new feature allows combo schools to import loan period info, using External Import Add, without setting up EDExpress Disbursement Profile first.

Create as many disbursement profile records as necessary. Many schools create a disbursement profile for different student groups that have similar loan periods and anticipated disbursement dates.

For example, you may establish two profile records for freshmen: one for first-time freshmen to account for the 30-day delay and another for returning freshmen.

If you are importing loan records into EDExpress from another module (App Express or Packaging) or from an external source (mainframe), you can assign a disbursement profile to the import file. Plan a separate import for each disbursement profile you want to assign. For example, you can import your undergraduate students with one disbursement profile and then import your graduate students with a different profile. You can still modify any anticipated disbursement date for any individual loan record.

Access Direct Loan Disbursement Profile setup by selecting **Tools/Setup** from the menu bar, **Direct Loan** tab/**Disbursement** button from the Setup dialog box.


2002 - 2003 EDExpress for Windows
File
Process
Tools
Help
Setup
Global
App Express
Packaging
Direct Loan
Pell
School
System
Disbursement
Tolerances
Pnote Printer

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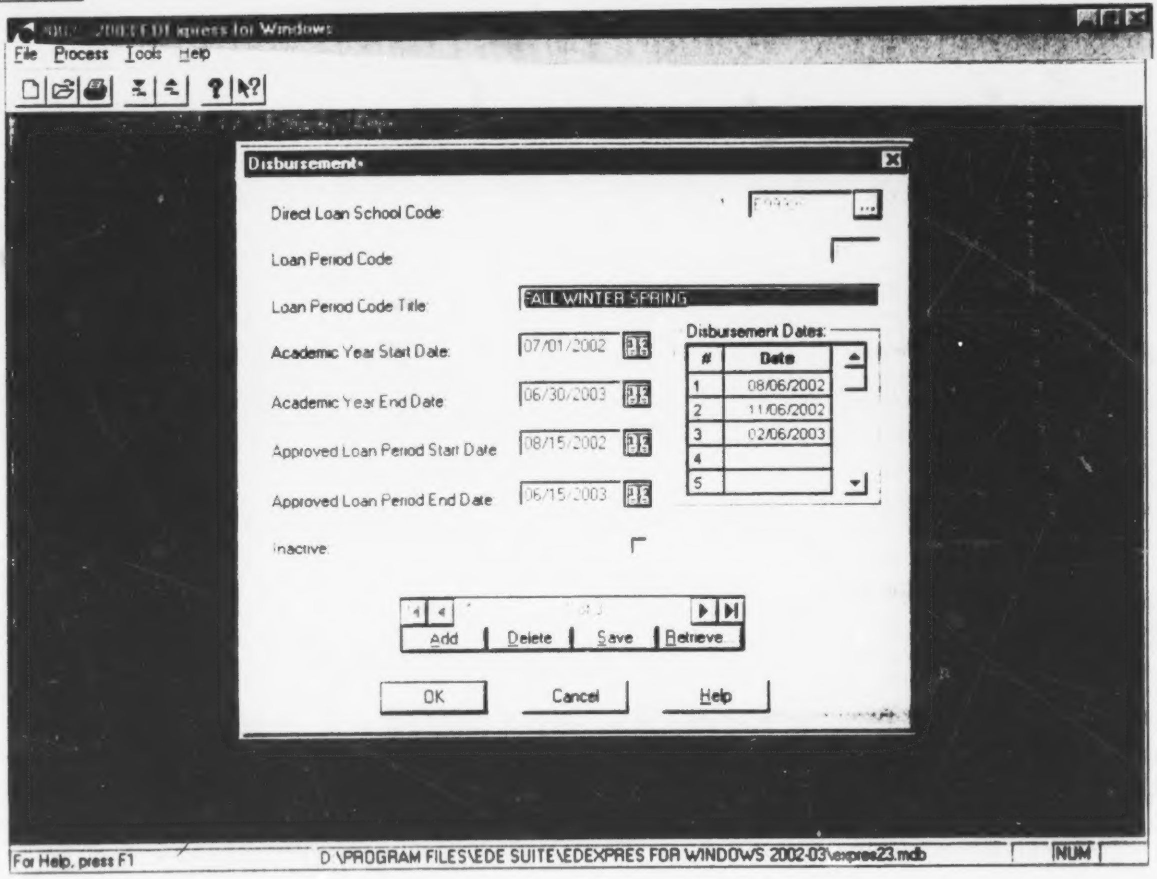
Direct Loan Disbursement Profile Setup Fields

Field	Description
Direct Loan School Code	Enter the appropriate Direct Loan school code for which the disbursement profile is being set up. This Direct Loan school code must have been set up in Direct Loan School Setup.
Loan Period Code	Type a one or two-character code to assign to this disbursement profile record. The code can consist of any combination of letters (A–Z) and numbers (0–9).
Loan Period Code Title	Type a description for the disbursement profile record.
Academic Year Start/End Date	Type the dates when the student's academic year begins and ends. Valid dates range from 07-02-2001 to 06-30-2003 for Start Date and 07-01-2002 to 06-29-2004 for End Date. Choosing these dates is extremely important to schools processing MPNs using single-year functionality.
Approved Loan Period Start/End Date	Type the dates when the classes begin and end for the specific period covered by the loan. Valid dates range from 07-02-2001 to 06-30-2003 for Start Date and 07-01-2002 to 06-29-2004 for End Date.
Disbursement Dates	Type the dates you anticipate making the disbursements for this loan period. The first disbursement date must be on or before the second disbursement date and loan period end date. The first disbursement date also cannot be more than 10 days prior to the loan period start date. Valid dates range from 06-23-2001 to 09-27-2004.

Instructor Demonstration: Direct Loan Disbursement Profile Setup

In this demonstration, we view a Disbursement Profile in setup.

Step	Action
1	Select **Tools/Setup** from the menu bar/ **Direct Loan** tab/**Disbursement** button from the Setup dialog box. The Direct Loan Disbursement Setup dialog box displays.
2	Type the school code or click the **ellipsis (...)** button to choose the school code. E99999 is displayed in this example.
3	Type the Loan Period Code to assign to this disbursement profile. In this case, FS was entered.
4	Type the Loan Period Code Title to describe this disbursement profile. In this case, Fall Winter Spring was entered.
5	Type the Academic Year Start Date. Enter in MMDDCCYY format. Do not type the slashes. 7/01/2002 was entered in this profile.
6	Type the Academic Year End Date. Enter in MMDDCCYY format. Do not type the slashes. 6/30/2003 was entered in this profile.
7	Type the Approved Loan Period Start Date. Enter in MMDDCCYY format. Do not type the slashes. 8/15/2002 was entered in this profile.
8	Type the Approved Loan Period End Date. Enter in MMDDCCYY format. Do not type the slashes. 6/15/2003 was entered in this profile.
9	Type the Disbursement Dates. Enter in MMDDCCYY format. Do not type the slashes. Three disbursement dates are entered in this profile.
10	To enter another profile, click **Add** (save if needed) and repeat steps 2–9.
11	If you made updates, click **OK** to save. A "Record Updates Saved" message displays in the lower left-hand corner of the EDExpress status bar and you are returned to the main menu.


EDExpress for Windows
File
Process
Tools
Help
Disbursement
OK
Cancel
Help
Add
Delete
Save
Retrieve
For Help, press F1
NUM

Direct Loan School Code:

Loan Period Code:

Loan Period Code Title: FALL WINTER SPRING

Academic Year Start Date: 07/01/2002

Academic Year End Date: 06/30/2003

Approved Loan Period Start Date: 08/15/2002

Approved Loan Period End Date: 06/15/2003

Inactive: ☐

Disbursement Dates:

#	Date
1	08/06/2002
2	11/06/2002
3	02/06/2003
4	
5	

D:\PROGRAM FILES\EDE SUITE\EDEXPRES FOR WINDOWS 2002-03\expres23.mdb

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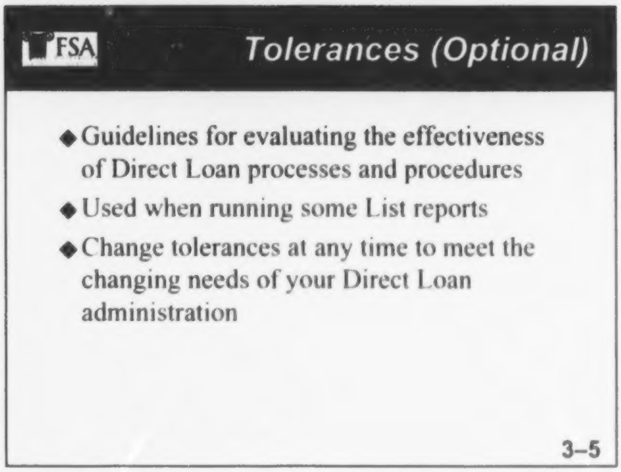


FSA

Tolerances (Optional)

- Guidelines for evaluating the effectiveness of Direct Loan processes and procedures
- Used when running some List reports
- Change tolerances at any time to meet the changing needs of your Direct Loan administration

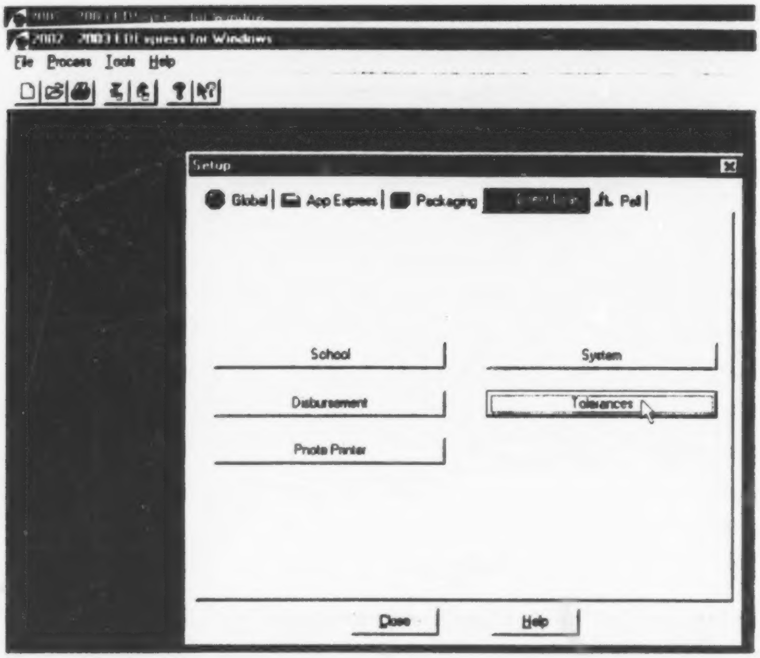
3–5

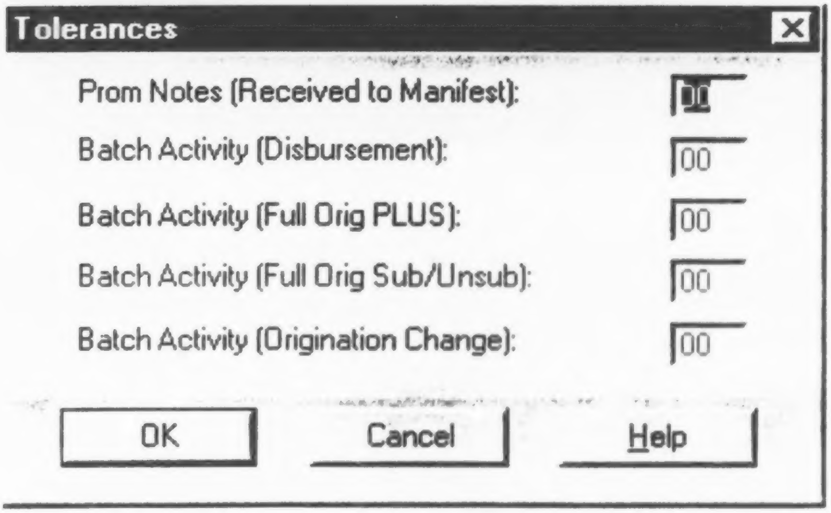
Direct Loan Tolerances Setup (Optional)

Tolerances are guidelines you set for evaluating the effectiveness of your school's Direct Loan processes and procedures. You determine the maximum number of days you want to elapse between various processes. The tolerances are used when running the Direct Loan List reports in EDExpress and the Measurement Tools reports in DL Tools to see how you are performing relative to your suggested tolerances. You can change tolerances at any time to meet the changing needs of your Direct Loan administration.

One of the ways you can meet the Quality Assurance requirement in the Direct Loan Program is by running the Direct Loans Lists in EDExpress and the Measurement Tools reports in DL Tools and assessing the results to implement corrective actions.

Access Direct Loan Tolerances setup by selecting **Tools/Setup/Direct Loan/Tolerances** from the menu bar.


2002 – 2003 EDExpress for Windows
File Process Tools Help
Setup
Global
App Express
Packaging
Direct Loan
Pell
School
System
Disbursement
Tolerances
Promo Printer
Close
Help


Tolerances

Prom Notes (Received to Manifest): 00

Batch Activity (Disbursement): 00

Batch Activity (Full Orig PLUS): 00

Batch Activity (Full Orig Sub/Unsub): 00

Batch Activity (Origination Change): 00

OK
Cancel
Help

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Direct Loan Tolerances Setup Fields

Field	Description
Prom Notes (Received to Manifest)	Enter the number of days that must elapse between the MPN/PLUS promissory note signed received date and the promissory note manifest print date for a loan record to print on a PLUS Promissory Note Measurement Tool report or an MPN Measurement Tool report.
Batch Activity (Disbursement)	Enter the number of days that must elapse between the disbursement batch creation date and the batch confirmation date for a Batch Activity record to print on a Batch Activity Measurement Tool report.
Batch Activity (Full Orig PLUS)	Enter the number of days that must elapse between the PLUS Origination batch creation date and the batch confirmation date for a Batch Activity record to print on a Batch Activity Measurement Tool report.
Batch Activity (Full Orig Sub/Unsub)	Enter the number of days that must elapse between the Sub/Unsub origination batch creation date and the batch confirmation date for a Batch Activity record to print on a Batch Activity Measurement Tool report.
Batch Activity (Origination Change)	Enter the number of days that must elapse between the change batch creation date and the batch confirmation date for a Batch Activity record to print on a Batch Activity Measurement Tool report.

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Promissory Note Printer Setup (Optional)

- Used to control placement of data on MPN/PLUS Promissory Notes when not aligned
- Do not use if your promissory notes print correctly
- Select the template you created when you print your promissory notes

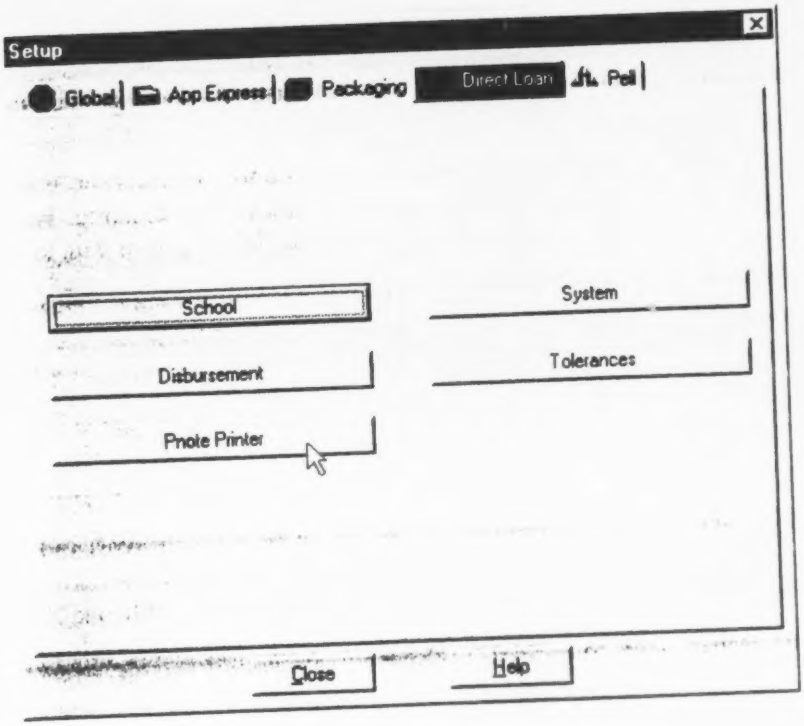
Promissory Note Printer Setup (Optional, only if there are printer problems)

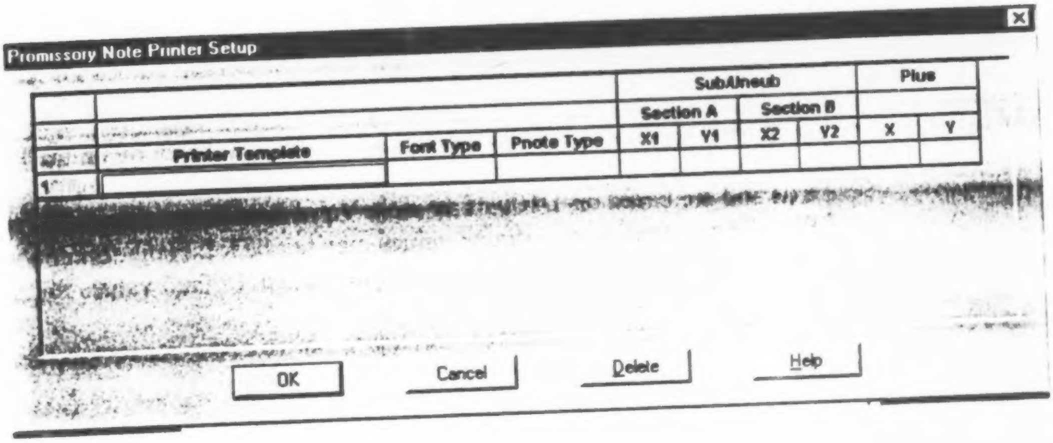
If your promissory notes do not align when printed, you can create printer templates to control the placement of data on promissory notes through the Direct Loan Print dialog box. This feature is primarily for Windows NT users but can be used for other operating systems. Most Windows 95 users do not need to create, set up, or select a Prom Note Printer template because they are able to adjust the unprintable area in their printer properties to align the promissory note. If your promissory notes print correctly, DO NOT select a printer template on the Direct Loan Print dialog box.

Attempt a different font type before altering the X and Y coordinates of the MPNs/promissory notes.

Select the template you created when you print your promissory notes.

Access Pnote Printer setup by selecting **Tools/Setup/Direct Loan/Pnote Printer** from the menu bar.


Setup
Global
App Express
Packaging
Direct Loan
Pell
School
System
Disbursement
Tolerances
Pnote Printer
Close
Help


Promissory Note Printer Setup
Sub/Unsub
Plus
Section A
Section B
Printer Template
Font Type
Pnote Type
X1
Y1
X2
Y2
X
Y
1
OK
Cancel
Delete
Help

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Direct Loan Promissory Note Printer Setup Fields

Field	Description
Printer Template	Type a description for the printer template. For example, you can enter "HP4SI" as the template name for your HP Laser Jet 4 SI printer.
Font Type	Click on the down arrow and select a font type for the MPN/PLUS promissory note printer template that you are creating. The font type you select here is the font assigned to the labels and/or data to be printed on a MPN/PLUS promissory note. All four options are based on Courier 10 point 12 pitch.
PNote Type	Click on the down arrow and select the MPN/PLUS promissory note type (sub/unsub or Plus) for which you want to adjust the alignment. Your prom note type selection enables the corresponding X and Y coordinates to be altered.
Sub/Unsub Section A X1/Y1	Enter the offset point(s) you want to adjust the data block by for Section A of the MPN. Coordinates are set up on an X (horizontal) and Y (vertical) axis and are based on 1/100 of an inch. Valid field values range from -999 to 999. Corresponding coordinate values may not be left blank. Enter a value of 0 for coordinates that you do not want to change. Default values for X1 and Y1 are 50 and 135 respectively.
Sub/Unsub Section B X2/Y2	Enter the offset point(s) you want to adjust the data block by for Section B of the MPN. Coordinates are set up on an X (horizontal) and Y (vertical) axis and are based on 1/100 of an inch. Valid field values range from -999 to 999. Corresponding coordinate values may not be left blank. Enter a value of 0 for coordinates that you do not want to change. Default values for X2 and Y2 are 50 and 500 respectively.
Plus X/Y	Enter the offset point(s) you want to adjust the data block by on the Plus promissory note. Coordinates are set up on an X (horizontal) and Y (vertical) axis and are based on 1/100 of an inch. Valid field values range from -999 to 999. Corresponding coordinate values may not be left blank. Enter a value of 0 for coordinates that you do not want to change. Default values for X and Y are 50 and 150 respectively.

Lesson 1 Activity #1

Do this activity in small groups or as one group.
Match the setup condition with its affect on the loan record.

	DL Setup	Condition
1	System: Are You a Special School?	Yes
2	System: Do You use multi-year MPNs at your school?	No
3	Disbursement Profile: Disbursement Dates	Dates
4	Disbursement Profile: Disbursement Dates	# Of dates
5	System: Disclosure Statement Print Indicator	O
6	System: Disclosure Statement Print Indicator	S

	Effect
A	Timing of each disbursement
B	The COD system will not print disclosure statement
C	Amount of each disbursement (as a proportion of the loan)
D	Allow exception to multiple disbursement and delayed disbursement
E	The COD system will print disclosure statement
F	The COD system will only link loans with the same academic year start and end dates to an MPN

Setup Condition	Effect
1	
2	
3	
4	
5	
6	

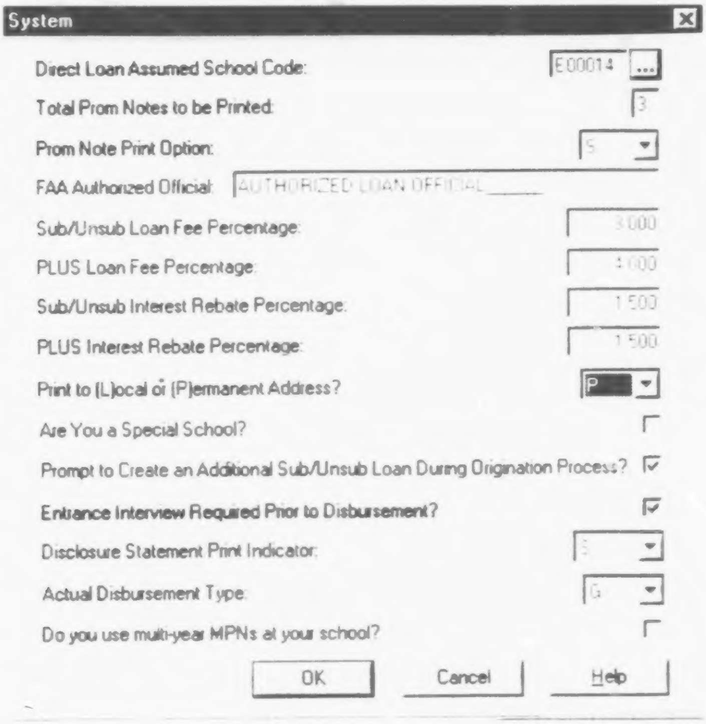
Lesson 1 Activity #2

The following fields are used to create your Direct Loan System Setup. Fill in the blanks for each with your school's information.

1. Direct Loan Assumed School Code ____________________
2. Total Prom Notes to be Printed ____________________
3. Prom Note Print Option S__R__O__Z___F
4. FAA Authorized Official ____________________
5. Sub/Unsub Loan Fee Percentage ____________________
6. PLUS Loan Fee Percentage ____________________
7. Sub/Unsub Interest Rebate Percentage ____________________
8. PLUS Interest Rebate Percentage ____________________
9. Print to Local or Permanent Address? ____P_______L______
10. Are you a special school? ____Y_______N_____
11. Prompt to create additional Sub/Unsub loan during origination process? ____Y_______N_____
12. Entrance Interview Required Prior to Disbursement? ____Y_______N_____
13. Disclosure Statement Print Indicator ____S_______O_____
14. Actual Disbursement Type ____G______N______
15. Do you use Multi-Year MPNs at your School? ____Y______N______

Lesson 1 Activity #3

What can you tell about the following school based on their system setup?



Direct Loan Assumed School Code: E00014
Total Prom Notes to be Printed: 3
Prom Note Print Option: S
FAA Authorized Official: AUTHORIZED LOAN OFFICIAL
Sub/Unsub Loan Fee Percentage: 3.000
PLUS Loan Fee Percentage: 4.000
Sub/Unsub Interest Rebate Percentage: 1.500
PLUS Interest Rebate Percentage: 1.500
Print to (L)ocal or (P)ermanent Address? P
Are You a Special School? ☐
Prompt to Create an Additional Sub/Unsub Loan During Origination Process? ☑
Entrance Interview Required Prior to Disbursement? ☑
Disclosure Statement Print Indicator: S
Actual Disbursement Type: G
Do you use multi-year MPNs at your school? ☐

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Session 3—Beginning the Direct Loan Process

Lesson 2: Creating a Direct Loan Record

FSA

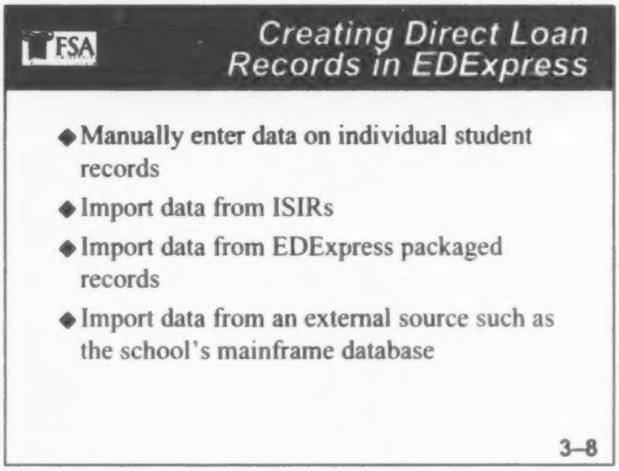
Lesson 2 Objectives

- Identify four ways to create loan records in EDExpress
- Explain the differences and advantages of the ways to create records
- Create a loan record using manual entry
- Explain how the credit decisions affect PLUS loan records
- Describe how to use the COD Web Site to check PLUS credit decisions

Key Term

ISIR MPN Indicator

The ISIR MPN indicator is a field in the Apps Processing module of EDExpress that is updated by the Common Origination and Disbursement System through the Central Processing System. The school receives updated information during ISIR import that helps schools using multi-year functionality determine if an active Master Promissory Note exists for the student.



Creating Direct Loan Records in EDExpress

- ◆ Manually enter data on individual student records
- ◆ Import data from ISIRs
- ◆ Import data from EDExpress packaged records
- ◆ Import data from an external source such as the school's mainframe database

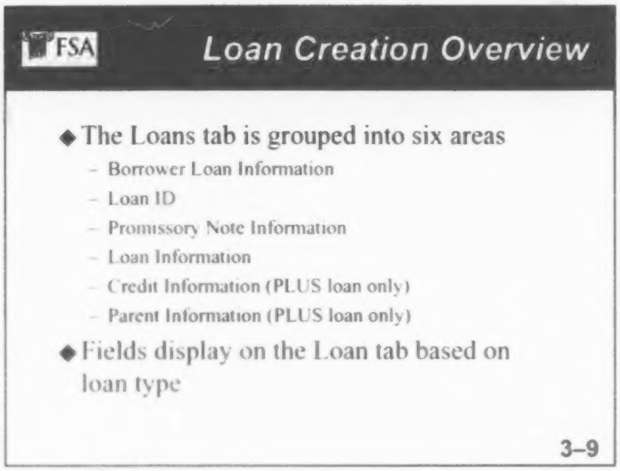
3–8

Creating Direct Loan Records in EDExpress

Loan records are the basis for all Direct Loan activity. EDExpress maintains one loan record in your database for each loan. One student may have more than one loan record. A loan record may be subsidized, unsubsidized, or PLUS.

Several options are available in EDExpress for creating loan records.

- Manually enter data on individual student records--Using this method requires you to open each individual student's record and enter demographic information about the student (if the demographic information is not already populated from another source) on the Demo tab. You then enter loan information on the Loan tab. This method is very useful if you need to create a few loans at a time.
- Import data from ISIRs--Your ISIR data in EDExpress can serve as the basis of your Direct Loan records. If you import data from your ISIR database, you must enter a loan amount. Importing the ISIR provides you with the ISIR MPN Indicator used by schools processing MPNs using multi-year functionality.
- Import data from EDExpress packaged records--Importing complete data from the EDExpress Packaging module creates and originates Subsidized and Unsubsidized Direct Loan records. However, PLUS loan records that are created by importing from the EDExpress Packaging module will not be originated because the parent information cannot be imported from the Packaging module. Parent information needs to be manually entered on individual PLUS loan records.
- Import data from an external source such as the school's mainframe database--Using this method creates and originates subsidized, unsubsidized, and PLUS loans if all data is complete. For more information on importing records from external sources using an External Import Add file, see the *Direct Loan Technical Reference* (Sections 5–7).



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Loan Creation Overview

- The Loans tab is grouped into six areas
  - Borrower Loan Information
  - Loan ID
  - Promissory Note Information
  - Loan Information
  - Credit Information (PLUS loan only)
  - Parent Information (PLUS loan only)
- Fields display on the Loan tab based on loan type

3–9

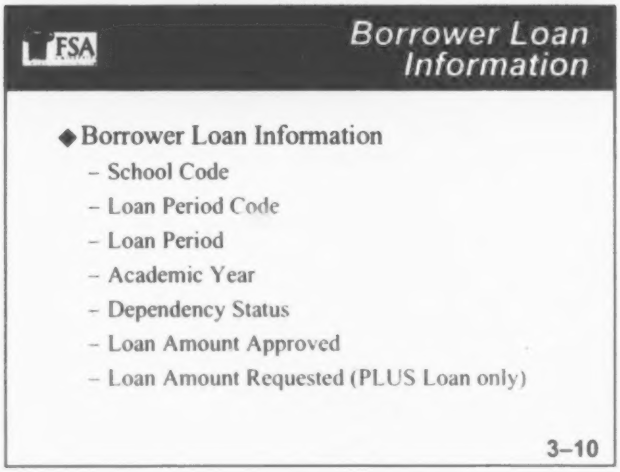
Loan Creation Overview—Loans Tab

The Loans tab is grouped into four areas for subsidized and unsubsidized loans. PLUS loans have two additional areas. The areas are:

- Borrower Loan Information (upper left)
- Loan ID (lower left)
- Promissory Note Information (upper right)
- Loan Information (middle right)
- Credit Information (lower right) (PLUS loan only)
- Parent Information (PLUS data button) (PLUS loan only)

Fields display on the Loan tab based on loan type. For example, fields that are PLUS-only fields, such as Credit Information, display only when creating or viewing a PLUS loan.

On the following pages is a description of the fields that require manual entry or are populated when a loan record is saved. The fields are discussed according to the areas of the loan tab where they appear. Some of the areas have additional fields that are updated later in the direct loan process. These additional fields are discussed in later lessons.



FSA

Borrower Loan Information

- Borrower Loan Information
  - School Code
  - Loan Period Code
  - Loan Period
  - Academic Year
  - Dependency Status
  - Loan Amount Approved
  - Loan Amount Requested (PLUS Loan only)

3–10

Borrower Loan Information

School Code—The default Direct Loan school code you established in Direct Loan System Setup is displayed here.

Loan Period Code—The two-character code established in Direct Loan Disbursement Profile Setup and assigned to this loan record displays here.

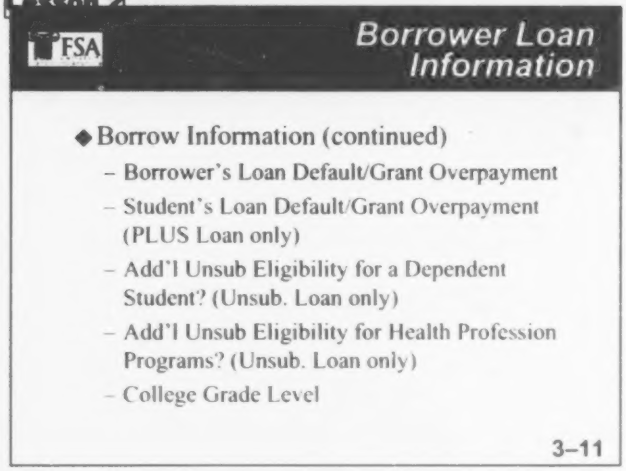
Loan Period—The loan period dates are displayed in this field. They are auto-filled based on the loan period code you assign to this loan.

Academic Year—The academic year dates are displayed in this field. They are auto-filled based on the loan period code you assign to this loan.

Dependency Status—The dependency status of the student is entered in this field. Valid values are D for dependent and I for independent. For a PLUS loan this field must display D for dependent.

Loan Amount Approved—The Loan Amount Approved establishes the upper limit for the loan record. Modify the Loan Amount Approved if the borrower wants less than the approved loan amount or becomes eligible for more than the Loan Amount Approved.

Loan Amount Requested (PLUS Loan only)—The Loan Amount Requested indicates how much the PLUS loan borrower wants to apply for. The Loan Amount Approved cannot be greater than the Loan Amount Requested.



FSA

Borrower Loan Information

◆ Borrow Information (continued)
  - Borrower's Loan Default/Grant Overpayment
  - Student's Loan Default/Grant Overpayment (PLUS Loan only)
  - Add'l Unsub Eligibility for a Dependent Student? (Unsub. Loan only)
  - Add'l Unsub Eligibility for Health Profession Programs? (Unsub. Loan only)
  - College Grade Level

3–11

Borrower Loan Information (continued)

Borrower's Loan Default/Grant Overpayment—Use this field to indicate whether the student or parent borrower is in default on a Title IV loan or owes a refund on a Title IV grant.

Note: For Subsidized or Unsubsidized loans the borrower is the student. For PLUS loans the borrower is the parent.

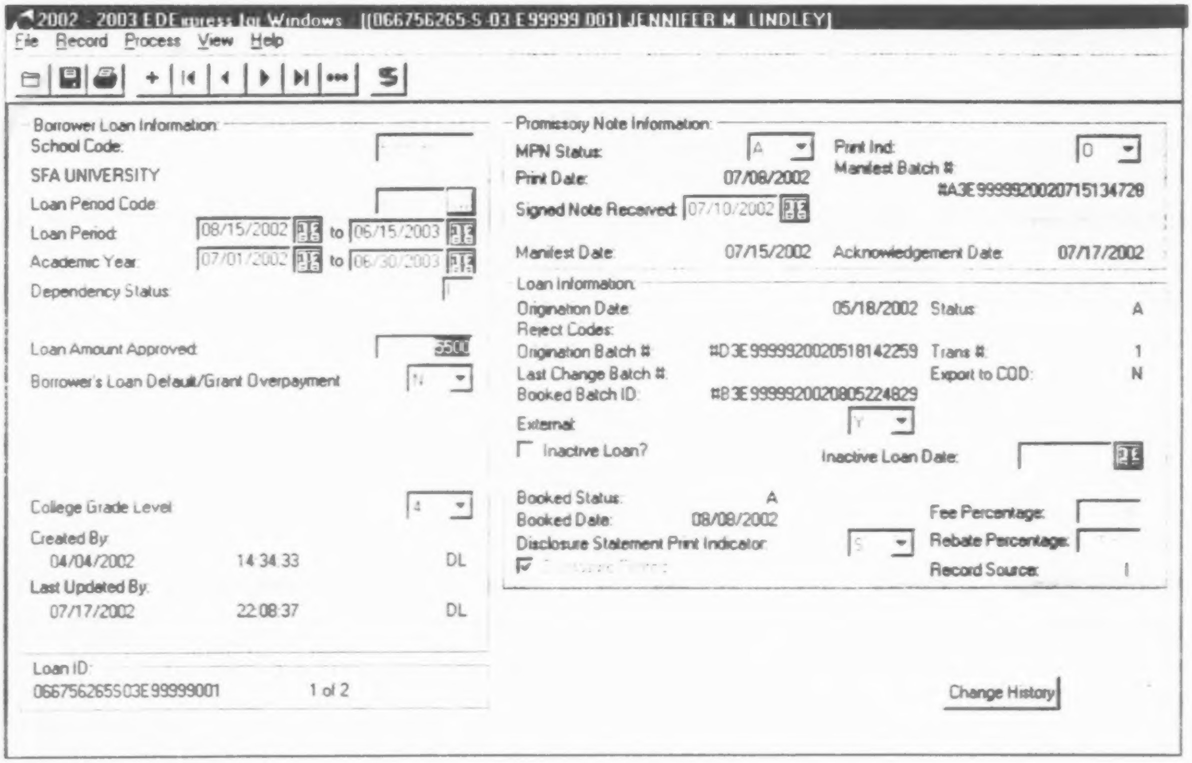
Student's Loan Default/Grant Overpayment (PLUS Loan only)—Use this field to indicate whether the student is in default on a Title IV loan or owes a refund on a Title IV grant.

Add'l Unsub Eligibility for a Dependent Student? (Unsub. Loan only)—Mark this checkbox if this dependent student is eligible for additional Direct Unsubsidized loan funds. This field is active only if the student's Dependency Status is D.

Add'l Unsub Eligibility for Health Profession Programs? (Unsub. Loan only)—Mark this checkbox if this student is eligible to receive an additional Direct Unsubsidized loan due to enrollment in a health profession program that allows them to receive additional Direct Unsubsidized loans. This field is active only if the student's College Grade Level is 4, 5, 6, or 7.

College Grade Level—Use this field to indicate the student's college grade level for the loan period.

Sample Subsidized Loan Record


2002 - 2003 EDExpress for Windows [(066756265-S-03-E99999-001) JENNIFER M LINDLEY]
File Record Process View Help
Change History

Borrower Loan Information:
School Code:
SFA UNIVERSITY
Loan Period Code:
Loan Period: 08/15/2002 to 06/15/2003
Academic Year: 07/01/2002 to 06/30/2003
Dependency Status: I
Loan Amount Approved: 5500
Borrower's Loan Default/Grant Overpayment: N
College Grade Level: 4
Created By: 04/04/2002 14:34:33 DL
Last Updated By: 07/17/2002 22:08:37 DL
Loan ID: 066756265S03E99999001 1 of 2

Promissory Note Information:
MPN Status: A
Print Ind: 0
Print Date: 07/08/2002
Manifest Batch #: #A3E9999920020715134728
Signed Note Received: 07/10/2002
Manifest Date: 07/15/2002
Acknowledgement Date: 07/17/2002

Loan Information:
Origination Date: 05/18/2002
Status: A
Reject Codes:
Origination Batch #: #D3E9999920020518142259
Trans #: 1
Last Change Batch #:
Export to COD: N
Booked Batch ID: #B3E9999920020805224829
External: Y
☐ Inactive Loan?
Inactive Loan Date:
Booked Status: A
Booked Date: 08/08/2002
Fee Percentage:
Disclosure Statement Print Indicator: S
Rebate Percentage:
☑ [illegible]
Record Source: I

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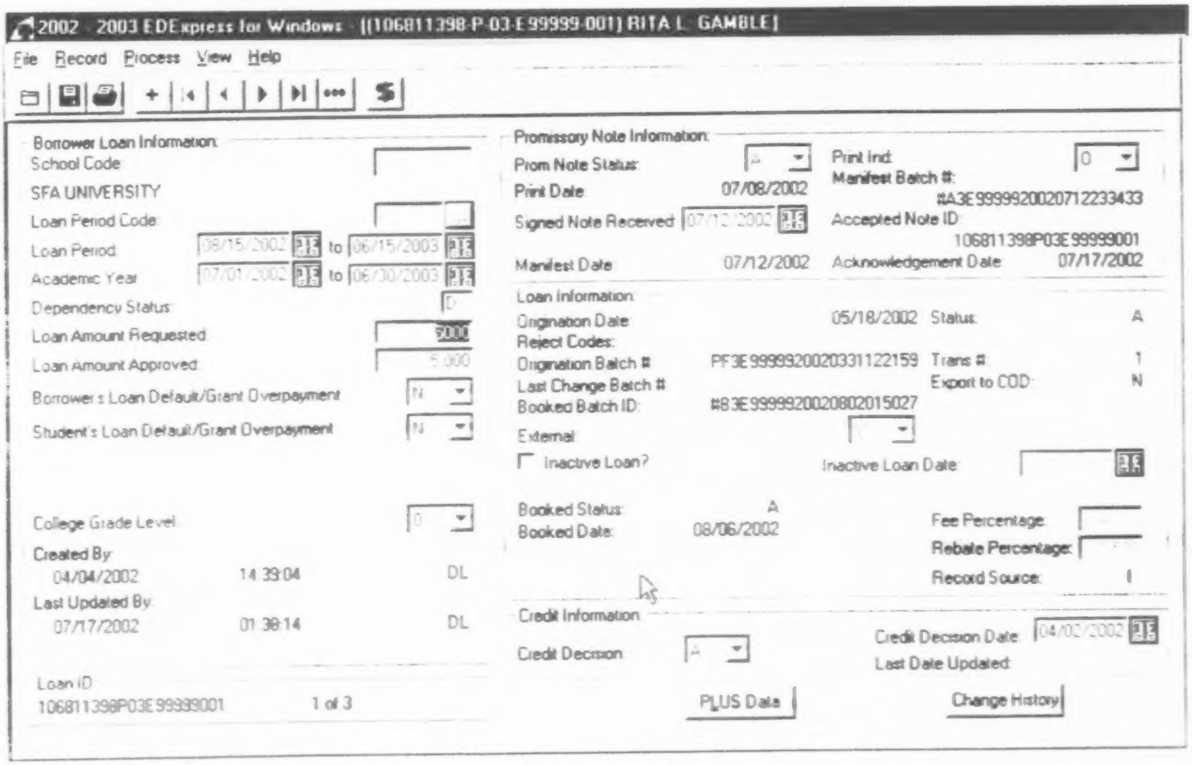
Sample PLUS Record


2002 - 2003 EDExpress for Windows - [(106811398-P-03-E99999-001) RITA L. GAMBLE]
File
Record
Process
View
Help
+
$
PLUS Data
Change History

Borrower Loan Information:
School Code:
SFA UNIVERSITY
Loan Period Code:
Loan Period: 08/15/2002 to 06/15/2003
Academic Year: 07/01/2002 to 06/30/2003
Dependency Status: D
Loan Amount Requested: 5000
Loan Amount Approved: 5,000
Borrower's Loan Default/Grant Overpayment: N
Student's Loan Default/Grant Overpayment: N
College Grade Level: 0
Created By:
04/04/2002 14:39:04 DL
Last Updated By:
07/17/2002 01:38:14 DL
Loan ID:
106811398P03E99999001 1 of 3

Promissory Note Information:
Prom Note Status: A
Print Ind: 0
Print Date: 07/08/2002
Manifest Batch #: #A3E9999920020712233433
Signed Note Received: 07/12/2002
Accepted Note ID: 106811398P03E99999001
Manifest Date: 07/12/2002
Acknowledgement Date: 07/17/2002

Loan Information:
Origination Date: 05/18/2002
Status: A
Reject Codes:
Origination Batch #: PF3E9999920020331122159
Trans #: 1
Last Change Batch #:
Export to COD: N
Booked Batch ID: #B3E9999920020802015027
External:
☐ Inactive Loan?
Inactive Loan Date:
Booked Status: A
Booked Date: 08/06/2002
Fee Percentage:
Rebate Percentage:
Record Source: I

Credit Information:
Credit Decision: A
Credit Decision Date: 04/02/2002
Last Date Updated:

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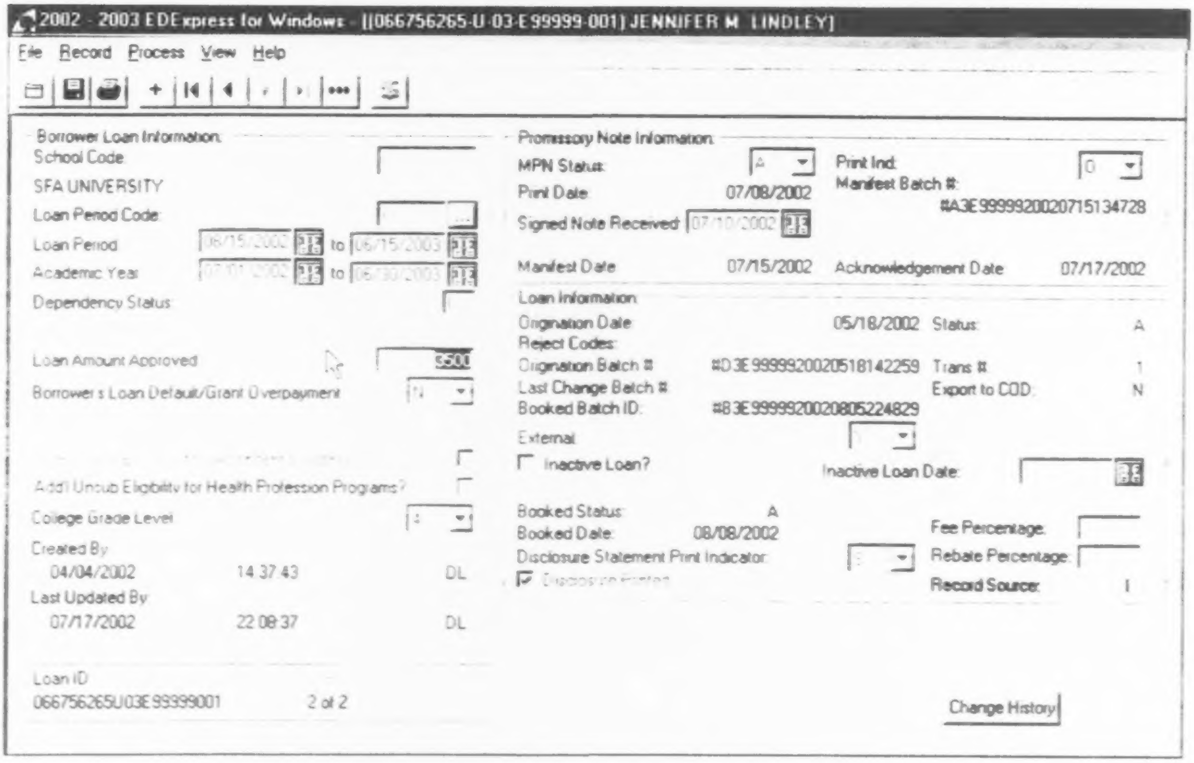
Sample Unsubsidized Loan Record



2002 - 2003 EDExpress for Windows - [(066756265-U-03-E99999-001) JENNIFER M LINDLEY]

Borrower Loan Information:
School Code:
SFA UNIVERSITY
Loan Period Code:
Loan Period 06/15/2002 to 06/15/2003
Academic Year 07/01/2002 to 06/30/2003
Dependency Status:
Loan Amount Approved 3500
Borrower's Loan Default/Grant Overpayment N
☐
Add'l Unsub Eligibility for Health Profession Programs? ☐
College Grade Level 4
Created By
04/04/2002 14:37:43 DL
Last Updated By
07/17/2002 22:08:37 DL
Loan ID
066756265U03E99999001 2 of 2

Promissory Note Information:
MPN Status: A
Print Ind: 0
Print Date: 07/08/2002
Manifest Batch #: #A3E99999200207151134728
Signed Note Received: 07/10/2002
Manifest Date: 07/15/2002
Acknowledgement Date: 07/17/2002

Loan Information:
Origination Date: 05/18/2002
Status: A
Reject Codes:
Origination Batch #: #D3E99999200205181142259
Trans #: 1
Last Change Batch #:
Export to COD: N
Booked Batch ID: #B3E99999200208805224829
External:
☐ Inactive Loan?
Inactive Loan Date:
Booked Status: A
Booked Date: 08/08/2002
Fee Percentage:
Disclosure Statement Print Indicator:
Rebate Percentage:
☑ Disclosure Printed
Record Source: I

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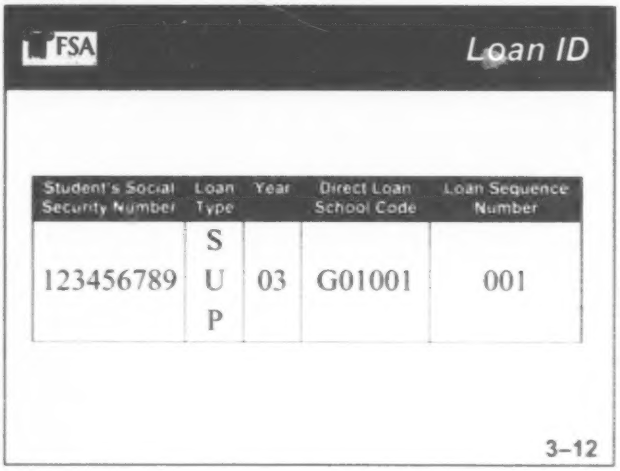


Loan ID

Student's Social Security Number	Loan Type	Year	Direct Loan School Code	Loan Sequence Number
123456789	S U P	03	G01001	001

3–12

Loan ID

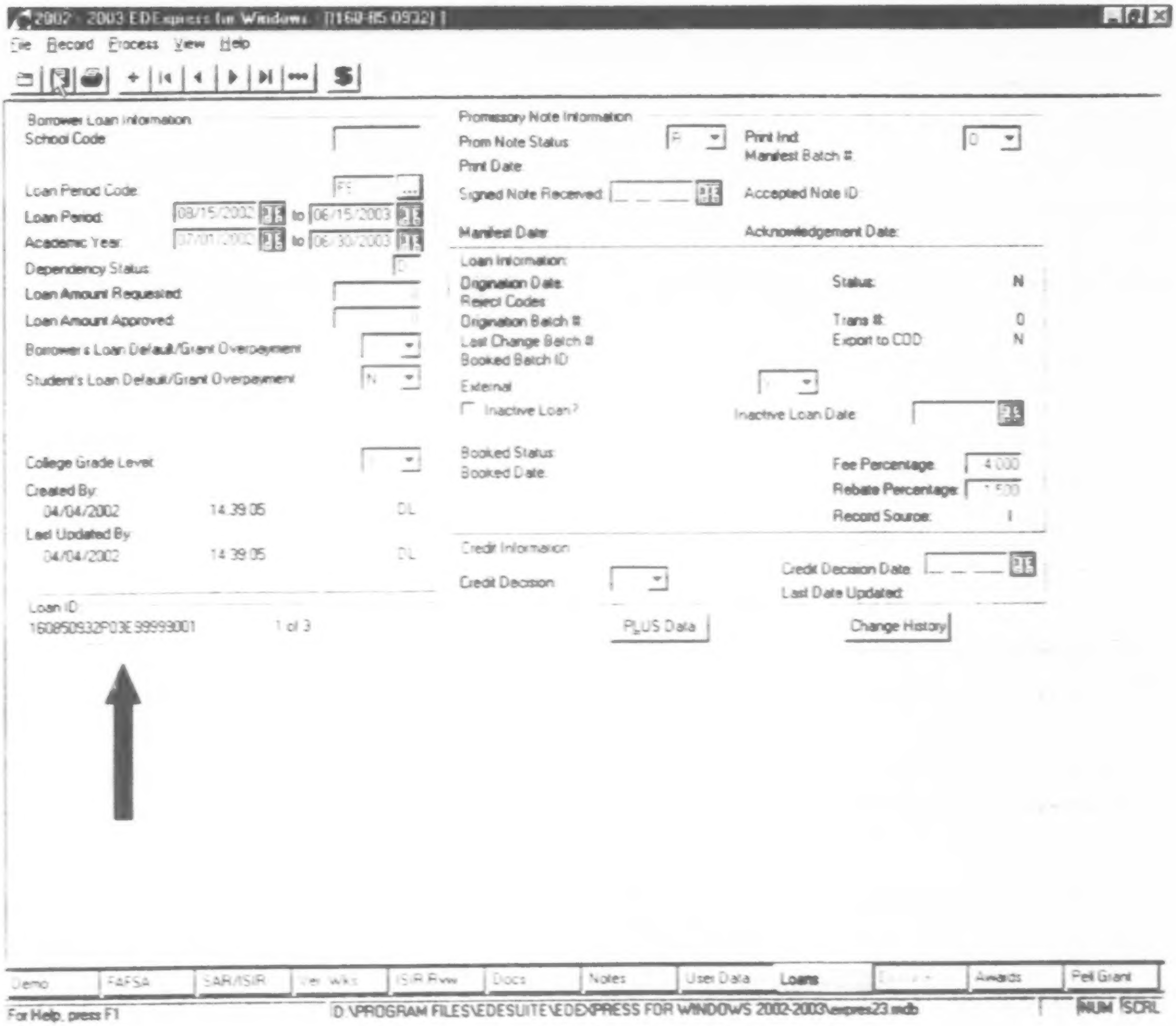
EDExpress creates the loan ID for you automatically when you create a loan record. The loan ID is displayed on the bottom left side of the Loans screen and cannot be modified.

Student's Social Security Number	Loan Type	Year	Direct Loan School Code	Loan Sequence Number
123456789	S U P	03	G01001	001

Within the Loan ID area, the number of loan records that have been created for that particular student displays. For example, if the student has a subsidized, an unsubsidized, and a PLUS loan record and the first record is currently displaying, "1 of 3" displays to the right of the Loan ID.

Note: Loan types S, U, and P respectively correspond to Subsidized, Unsubsidized, and PLUS loans.

The Loan Sequence Number increases incrementally for the same borrower with the same loan type in the same academic year starting with 001. It is used to distinguish such loans from each other.


2002 - 2003 EDExpress for Windows - [160-85-0932]]
File
Record
Process
View
Help
Demo
FAFSA
SAR/ISIR
Ver Wks
ISIR Rvw
Docs
Notes
User Data
Loans
Awards
Pell Grant
PLUS Data
Change History
For Help, press F1
NUM
SCRL

Borrower Loan Information
School Code:
Loan Period Code: FE
Loan Period: 08/15/2002 to 06/15/2003
Academic Year: 07/01/2002 to 06/30/2003
Dependency Status: D
Loan Amount Requested:
Loan Amount Approved:
Borrower's Loan Default/Grant Overpayment:
Student's Loan Default/Grant Overpayment: N
College Grade Level:
Created By:
04/04/2002 14:39:05 DL
Last Updated By:
04/04/2002 14:39:05 DL
Loan ID:
160850932P03E99993001 1 of 3

Promissory Note Information
Prom Note Status: P
Print Ind: 0
Manifest Batch #:
Print Date:
Signed Note Received:
Accepted Note ID:
Manifest Date:
Acknowledgement Date:

Loan Information:
Origination Date:
Status: N
Reject Codes:
Origination Batch #:
Trans #: 0
Last Change Batch #:
Export to COD: N
Booked Batch ID:
External:
☐ Inactive Loan?
Inactive Loan Date:
Booked Status:
Booked Date:
Fee Percentage: 4.000
Rebate Percentage: 1.500
Record Source: I

Credit Information
Credit Decision:
Credit Decision Date:
Last Date Updated:

D:\PROGRAM FILES\EDESUITE\EDEXPRESS FOR WINDOWS 2002-2003\expres23.mdb

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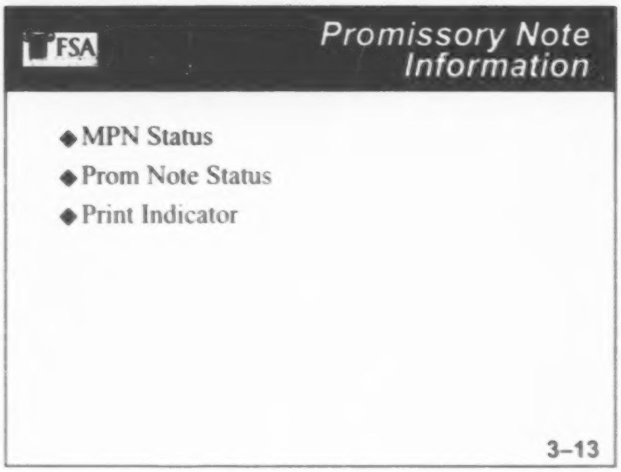


Promissory Note Information

- MPN Status
- Prom Note Status
- Print Indicator

3–13

Promissory Note Information

MPN Status (Subsidized and Unsubsidized Loans only)--This field displays the status of the Master Promissory Note.

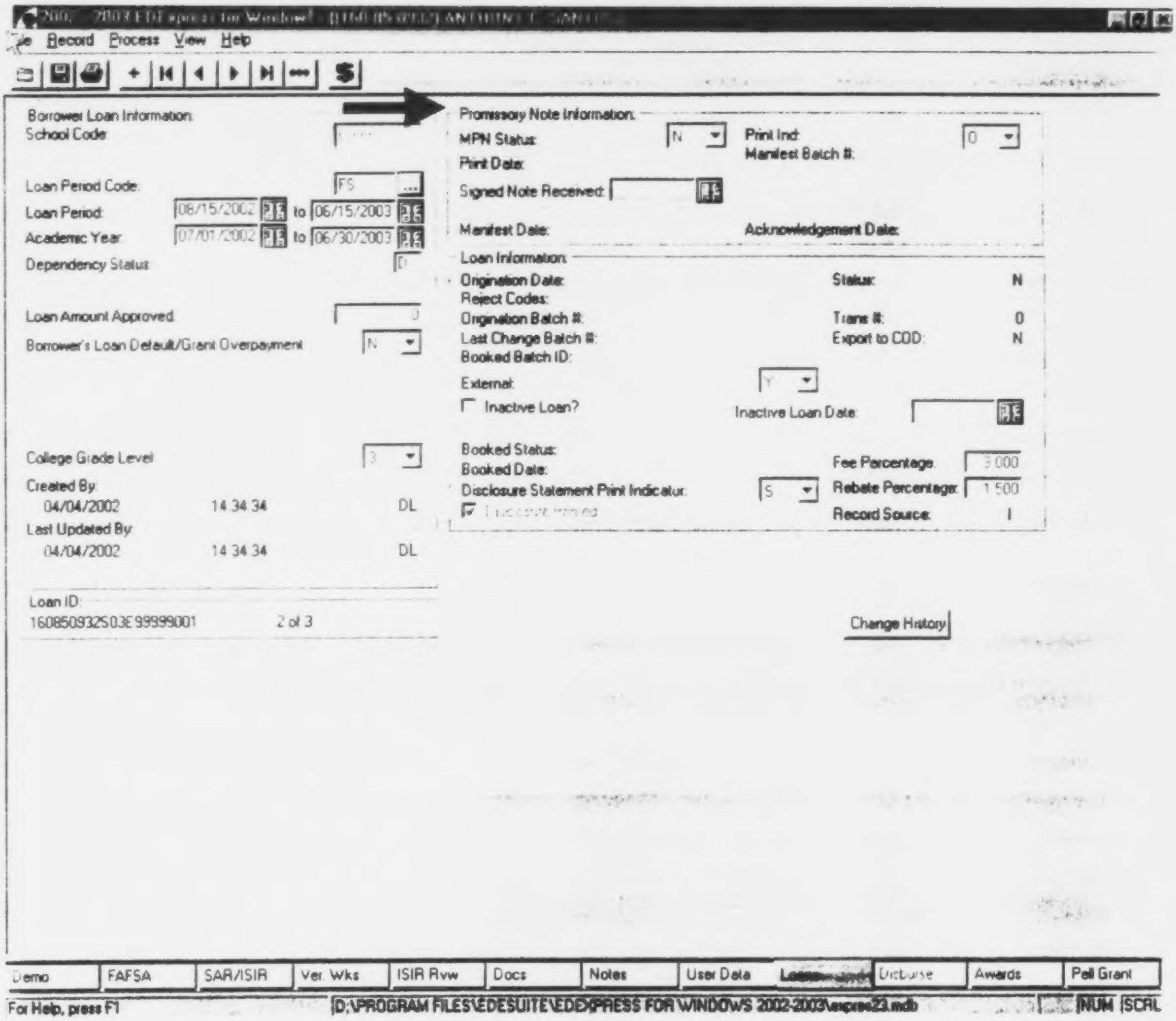
Prom Note Status (PLUS Loan only)--This field displays the Promissory Note Status of the PLUS loan. When a PLUS loan is created and saved, this status is updated to R (ready to print).

Print Indicator--This is the MPN/PLUS promissory note print indicator, which gives the print location of the MPN/PLUS promissory note. Print Indicator is the only field in the Promissory Note Information area that must be populated when a loan is created.

Valid values are:

- **S** (LOC prints and sends to student),
- **R** (LOC prints and returns to school),
- **O** (Printed on-site, using EDExpress),
- **Z** (Request for LOC to reprint), and
- **F** (Printed on-site, not using EDExpress).

The default value from Direct Loan System setup displays when a loan record is created, but may be changed if needed.


Record
Process
View
Help
Change History
Demo
FAFSA
SAR/ISIR
Ver. Wks
ISIR Rvw
Docs
Notes
User Data
Disburse
Awards
Pell Grant
For Help, press F1
NUM
SCRL

Borrower Loan Information:
School Code:
Loan Period Code: FS
Loan Period: 08/15/2002 to 06/15/2003
Academic Year: 07/01/2002 to 06/30/2003
Dependency Status: D
Loan Amount Approved: 0
Borrower's Loan Default/Grant Overpayment: N
College Grade Level: 3
Created By:
04/04/2002 14 34 34 DL
Last Updated By:
04/04/2002 14 34 34 DL
Loan ID:
160850932S03E99999001 2 of 3

Promissory Note Information:
MPN Status: N
Print Ind: 0
Manifest Batch #:
Print Date:
Signed Note Received:
Manifest Date:
Acknowledgement Date:

Loan Information:
Origination Date:
Status: N
Reject Codes:
Origination Batch #:
Trans #: 0
Last Change Batch #:
Export to COD: N
Booked Batch ID:
External: Y
☐ Inactive Loan?
Inactive Loan Date:
Booked Status:
Booked Date:
Fee Percentage: 3.000
Disclosure Statement Print Indicator: S
Rebate Percentage: 1.500
☑ Disclosure Printed
Record Source: I

D:\PROGRAM FILES\EDESUITE\EDEXPRESS FOR WINDOWS 2002-2003\expres23.mdb

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FSA

Loan Information

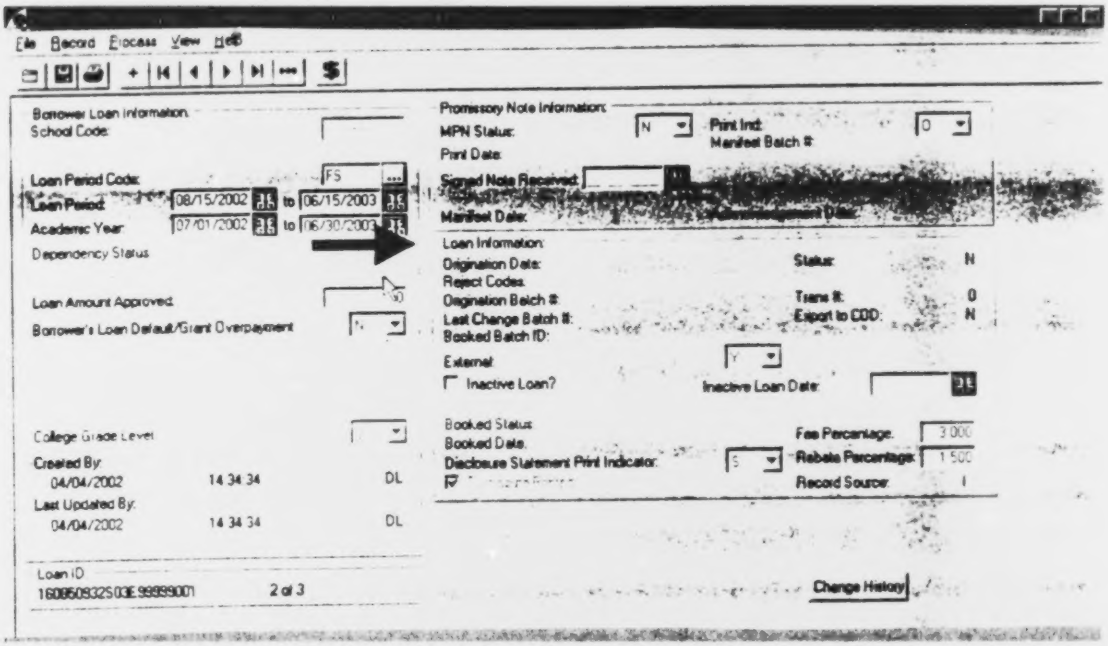
- Status
- Disclosure Statement Print Indicator

3–14

Loan Information

Status--This field contains codes indicating the current status of the origination record. The values are **N** (Not ready to send to the COD system), **R** (Ready to send to the COD system), **B** (Batched for transmission to the COD system), **A** (Accepted by the COD system), and **E** (Origination error received from the COD system). When a new loan is created and saved, **N** displays.

Disclosure Statement Print Indicator--This field indicates the print location of the Disclosure Statement. Valid values are **S** (the COD system print) and **O** (Onsite-school print). The default value from Direct Loan System setup displays when a loan record is created, but may be changed if needed.



Borrower Loan Information
School Code:
Loan Period Code: FS
Loan Period: 08/15/2002 to 06/15/2003
Academic Year: 07/01/2002 to 06/30/2003
Dependency Status
Loan Amount Approved:
Borrower's Loan Default/Grant Overpayment: N
College Grade Level
Created By:
04/04/2002 14 34 34 DL
Last Updated By:
04/04/2002 14 34 34 DL
Loan ID
160860832S03E99999001 2 of 3

Promissory Note Information:
MPN Status: N
Print Ind: O
Manifest Batch #:
Print Date:
Signed Note Received:
Manifest Date:

Loan Information:
Origination Date:
Status: N
Reject Codes:
Origination Batch #:
Trans #: 0
Last Change Batch #:
Export to COD: N
Booked Batch ID:
External: Y
☐ Inactive Loan?
Inactive Loan Date:
Booked Status:
Fee Percentage: 3.000
Booked Date:
Rebate Percentage: 1.500
Disclosure Statement Print Indicator: S
Record Source: I

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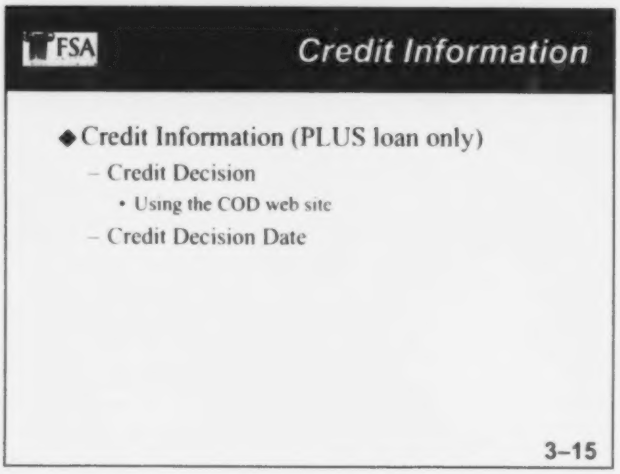


Credit Information

- ◆ Credit Information (PLUS loan only)
  - – Credit Decision
    - • Using the COD web site
  - – Credit Decision Date

3–15

Credit Information (PLUS loan only)

The approval of a PLUS loan depends on the parent borrower's credit rating. If the loan is approved, the parent borrower is eligible to borrow a PLUS loan. If the loan is denied, the parent borrower has the option to provide an endorser. If the parent does not provide an endorser, the dependent student may be eligible to receive additional unsubsidized funds. The school should develop a policy on how to handle a parent whose credit rating is denied. This could include a procedure for advising parents and students of their options.

Credit Decision—This field displays the credit decision for a PLUS loan.

Valid values are:

- **A** (Credit approved),
- **N** (Credit denied—need endorser),
- **C** (Credit overridden—new credit information provided),
- **E** (Credit overridden—endorser OK),
- **D** (Credit denied—endorser not OK),
- **F** (Credit denied—credit decision received from COD Web site), and
- **X** (Credit pending).

You may enter either **A** or **F** manually after completing a credit check for a borrower on the COD Web page. All other values would be received from the COD system in the PLUS origination acknowledgement.

Credit Decision Date—This field displays the date that the credit decision is obtained by your school from the COD Web page or the date that the Credit Decision indicator was first updated by the Loan Origination Acknowledgement or PLUS Credit Override. This date is in MMDDCCYY format.

This field is required when Credit Decision is A or F. This field is displayed only when the loan type is P (PLUS).

On-Line Credit Decisions

Financial Aid Administrators may use the COD Web site (**cod.fsa.ed.gov**) to verify whether a parent borrower's credit decision for a PLUS loan would be approved or denied. This tool is intended to be used by FAAs who are aware up-front of a parent with a credit problem and an immediate answer allows the FAA to move forward with offering the student borrower additional unsubsidized funds, without having to go through the entire PLUS application process.

Once you have established a User Administrator and Users are identified to the COD system, via an online registration system, you can begin running credit checks, one at a time. Each transaction and user is recorded. You should be aware that each attempt creates a line item in the borrower's credit history, displaying the notation "U.S. Department of Education". For this reason, you should exercise restraint when using this tool.

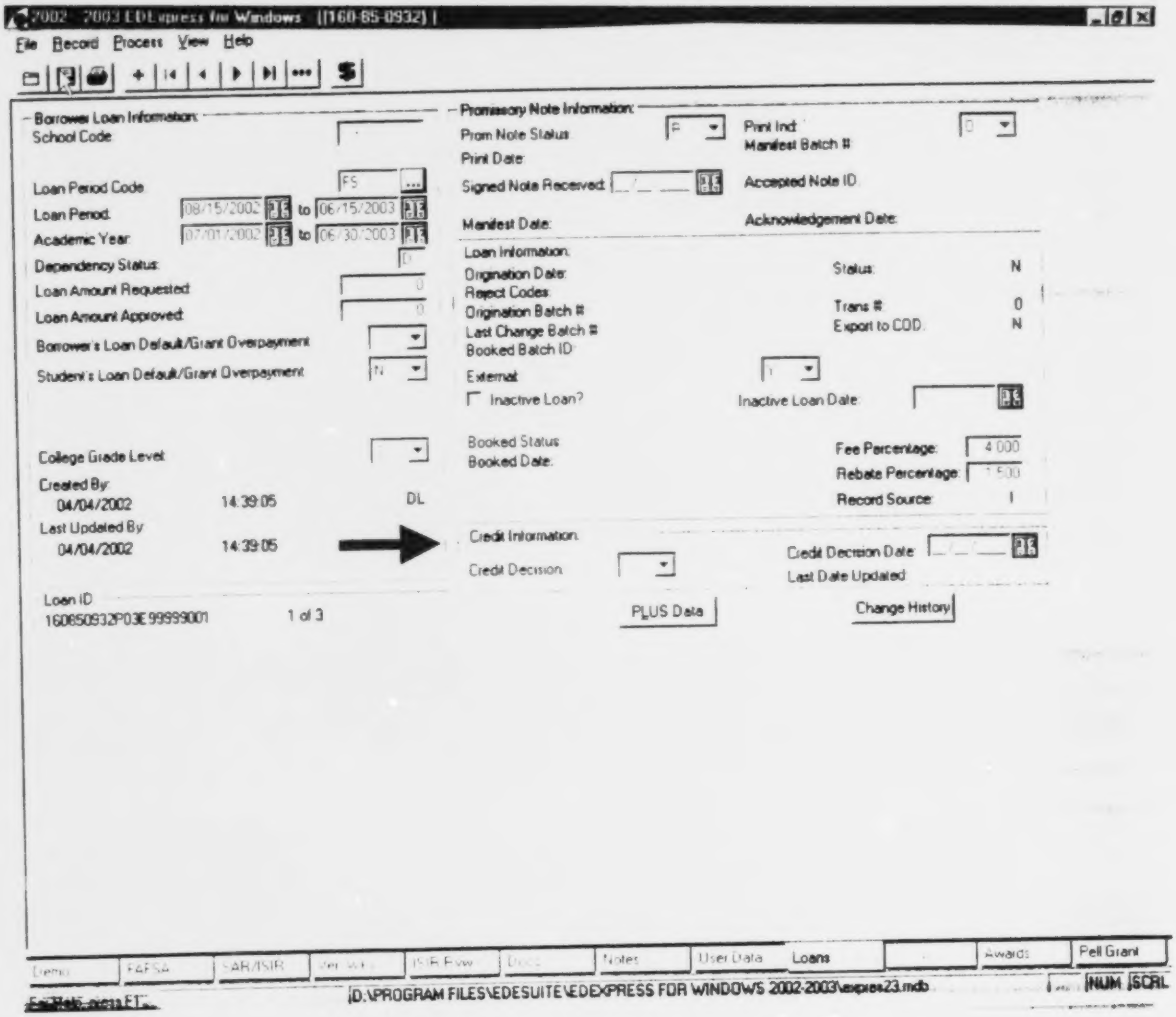
This system does not replace, but rather enhances, the PLUS origination process and works this way:

The school must first receive written permission from the parent borrower to run a credit check. This permission can be faxed to the school, but must be kept in the student's folder. A Credit Record Authorization form can be downloaded from the COD Web site.

Note: *A phone call from the parent borrower is not sufficient; permission must be in writing.*

At this point, the school goes online and enters the parent borrowers' identifying data. The school will receive an immediate (within 30 seconds) Accept/Deny response, and the date of the credit check (credit checks are valid for only 90 days). Each night the transactions are downloaded by the COD system and Acceptance/Denial letters are prepared for the Parent borrower. If your response is accepted, you may then create a PLUS loan record and manually update the Credit Decision field. Finally, print the PLUS promissory note and obtain signatures, if you have not already done so.

Instead of creating a PLUS record, you may also determine that exceptional circumstances exist and award the additional unsubsidized loan to the student even though the parent passed the credit check.


2002 - 2003 EDExpress for Windows - [(160-85-0932)]
File
Record
Process
View
Help
PLUS Data
Change History
Demo
FAFSA
SAR/ISIR
Verif...
ISIR Rvw
Docs
Notes
User Data
Loans
Awards
Pell Grant
NUM
SCRL

Borrower Loan Information:

School Code:

Loan Period Code: FS

Loan Period: 08/15/2002 to 06/15/2003

Academic Year: 07/01/2002 to 06/30/2003

Dependency Status: D

Loan Amount Requested: 0

Loan Amount Approved: 0

Borrower's Loan Default/Grant Overpayment:

Student's Loan Default/Grant Overpayment: N

College Grade Level:

Created By: 04/04/2002 14:39:05 DL

Last Updated By: 04/04/2002 14:39:05

Loan ID: 160850932P03E99999001 1 of 3

Promissory Note Information:

Prom Note Status: F

Print Ind: 0

Print Date:

Manifest Batch #:

Signed Note Received: __/__/____

Accepted Note ID:

Manifest Date:

Acknowledgement Date:

Loan Information:

Origination Date:

Status: N

Reject Codes:

Origination Batch #:

Trans #: 0

Last Change Batch #:

Export to COD: N

Booked Batch ID:

External: 1

☐ Inactive Loan?

Inactive Loan Date:

Booked Status:

Booked Date:

Fee Percentage: 4.000

Rebate Percentage: 1.500

Record Source: I

Credit Information:

Credit Decision:

Credit Decision Date: __/__/____

Last Date Updated:

D:\PROGRAM FILES\EDESUITE\EDEXPRESS FOR WINDOWS 2002-2003\expres23.mdb

For Help, press F1

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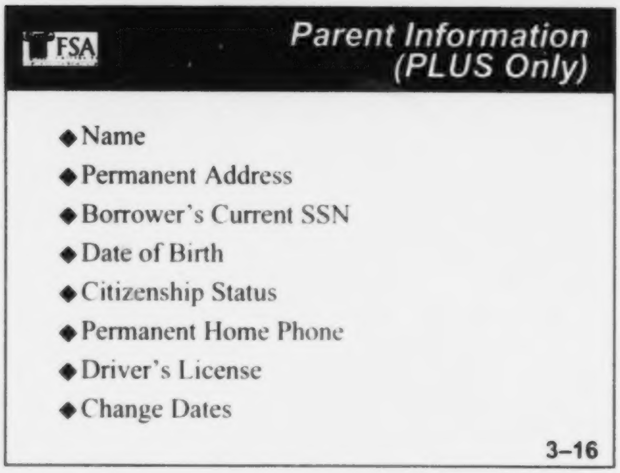


Parent Information (PLUS Only)

- Name
- Permanent Address
- Borrower's Current SSN
- Date of Birth
- Citizenship Status
- Permanent Home Phone
- Driver's License
- Change Dates

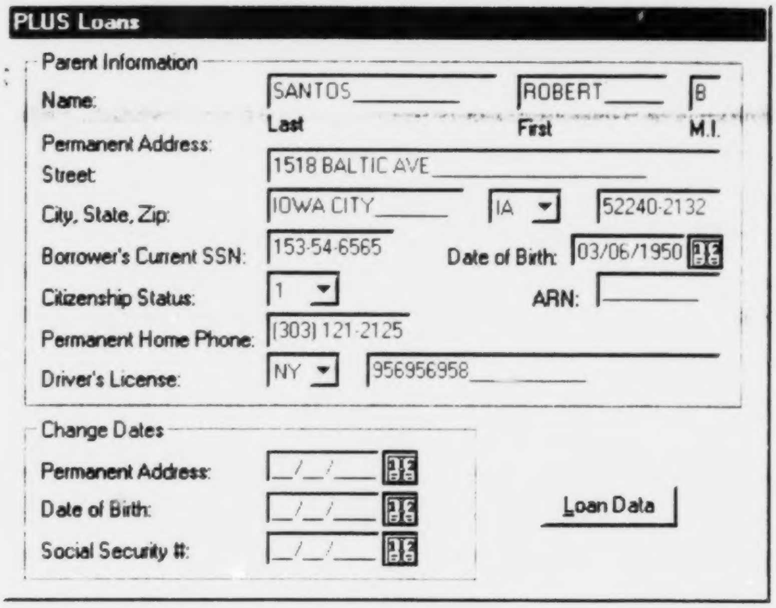
3–16

Parent Information

The Parent Information area contains demographic information about the parent borrower. The fields included in this area are:

- Name
- Permanent Address
- Borrower's Current SSN
- Date of Birth
- Citizenship Status (Alien Registration Number if needed)
- Permanent Home Phone
- Driver's License

There is also a section labeled Change Dates. This area is automatically filled with the current system date if any of the following fields are entered or changed: Permanent Address, Date of Birth, or Social Security Number.



Parent Information

Name: SANTOS (Last) ROBERT (First) B (M.I.)

Permanent Address:

Street: 1518 BALTIC AVE

City, State, Zip: IOWA CITY IA 52240-2132

Borrower's Current SSN: 153-54-6565 Date of Birth: 03/06/1950

Citizenship Status: 1 ARN:

Permanent Home Phone: (303) 121-2125

Driver's License: NY 956956958

Change Dates

Permanent Address: __/__/____

Date of Birth: __/__/____

Social Security #: __/__/____

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Instructor Demonstration: Creating a Subsidized or Unsubsidized Loan Record Manually

The demographic record provides the source data for all EDExpress modules. This includes Direct Loan, Apps Processing, Pell, and Packaging. Therefore, when you create a new Direct Loan application, you must first create the demographic record, if it is not already present, before you enter a Direct Loan record manually. In this demonstration, it is assumed that a demographic record already exists for the student.

Step	Action
1	Select **File/Open** from the menu bar.
2	Type the student's SSN in the field. Enter **985-70-8731** for this demonstration. Click **OK**. **-OR-** Click the **ellipsis (...)** button. This displays a grid of all student records in the database. Highlight the student's record you would like to open.
3	Review the data on the **Demo** tab for accuracy. When you export a loan origination record to COD, these demographic items become part of the data that is transmitted.
4	Click on the **Loans** tab.
5	Select **Record/Add** from the menu bar or click the button with the plus symbol. The **Add Loan** dialog box will display.
6	Enter the loan type (**S** for Subsidized, **U** for Unsubsidized, or **P** for PLUS) you would like to create or click the drop-down arrow to select from the list of available loan types. In this example, enter **S**.
7	The Direct Loan Assumed School Code that was entered in Direct Loan System Setup automatically displays in the school code field. In this example, use the school code that is automatically displayed (**E99999**). *Note: If this is not the school code for this loan record, you may change it by typing the correct school code or clicking the ellipsis (...) button to display the school codes set up in Direct Loan School Setup. Highlight the school code you would like to use and click OK.*

Instructor Demonstration (continued)

8	Enter the loan period code for this loan record or click the **ellipsis (...)** button to In this example, we choose **FS**. **-OR-** Click the **ellipsis (...)** button. This displays a list of the loan period codes that were created in Direct Loan Disbursement Profile Setup. Highlight the loan period code you would like to use.
9	Click **OK**. The loan record is displayed. The first four fields are automatically filled in based on the data entered in the Add Loan dialog box.
10	Enter the Dependency Status of the student if it is not already displayed. EDExpress automatically displays the dependency status entered on the Demo tab. In this example, **D** for a dependent student is already displayed.
11	Enter the loan amount approved for this loan in the Loan Amount Approved field. In this example enter **2625**.
12	Enter the value for Borrower's Loan Default/Grant Overpayment or click the drop-down arrow to choose the value. In this example, enter **N**.
13	Enter the student's College Grade Level or click the drop-down arrow to choose the grade level. In this example, select **1**.
14	Select **File/Save** from the menu bar to save the record. Then select **File/Close**.

Instructor Demonstration: Creating a PLUS Direct Loan Record Manually

In this demonstration, it is assumed that a demographic record already exists for the student.

Step	Action
1	Select **File/Open** 📂 from the menu bar.
2	Type the student's SSN in the field. Type **690-12-9048**. Click **OK**. *Note: The Social Security Number you use to create a new loan record will always be the student's, even when creating a PLUS Loan.* **-OR-** Click the **ellipsis (…)** button. This displays a grid of all student records in the database. Highlight the student's record you would like to open.
3	Review the data on the **Demo** tab for accuracy. When you export a loan origination record to COD, these demographic items become part of the data that is transmitted.
4	Click on the **Loans** tab.
5	Select **Record/Add** from the menu bar or click the button with the plus symbol. The **Add Loan** dialog box will display.
6	Enter the loan type (**S** for Subsidized, **U** for Unsubsidized, or **P** for PLUS) you would like to create or click the drop-down arrow to select from the list of available loan types. In this example, enter **P**.
7	The Direct Loan Assumed School Code that was entered in Direct Loan System Setup automatically displays in the school code field. In this example, use the school code that is automatically displayed. *Note: If this is not the school code for this loan record, you may change it by typing the correct school code or clicking the **ellipsis (…)** button to display the school codes set up in Direct Loan School Setup. Highlight the school code you would like to use and click **OK**.*
8	Enter the loan period code for this loan record or click the **ellipsis (…)** button to In this example, we choose **FW**. **-OR-** Click the **ellipsis (…)** button. This displays a list of the loan period codes that were created in Direct Loan Disbursement Profile Setup. Highlight the loan period code you would like to use.

Instructor Demonstration: Creating a PLUS Direct Loan Record Manually (continued)

Step	Action
9	Click **OK**. The loan record is displayed. The first four fields are automatically filled based on data entered in the **Add Loan** dialog box.
10	Enter the Dependency Status of the student if it is not already displayed. EDExpress automatically displays the dependency status entered on the Demo tab. In this example, **D** for a dependent student is already displayed.
11	Enter the loan amount requested for this loan in the Loan Amount Requested field. In this example, enter **3000**.
12	Enter the loan amount approved for this loan in the Loan Amount Approved field. In this example, enter **3000**.
13	Enter the value for Borrower's Loan Default/Grant Overpayment or click the drop-down arrow to choose the value. In this example, enter **N**
14	Enter the value for Student's Loan Default/Grant Overpayment or click the drop-down arrow to choose the value. In this example, enter **N**.
15	Enter the student's College Grade Level or click the drop-down arrow to select the grade level. In this example, select **0**.
16	If the credit check has been performed online, enter the appropriate value in the Credit Decision field. Or click the drop-down arrow to choose the appropriate value. If the credit check has not been performed online, leave this field blank. In this example, enter **A**. *Note: The only values which are available to enter manually after an online credit check are **A** or **F**.*
17	If **A** or **F** has been entered in the Credit Decision field, enter the date in the Credit Decision Date field. Enter the current date.
18	Click on the **PLUS Data** button. The PLUS Loan/Parent Information dialog box will display.
19	Enter the demographic information of the parent borrower.

Instructor Demonstration: Creating a PLUS Direct Loan Record Manually (continued)

Step	Action
20	Click on the **Loan Data** button to close the Parent Information dialog box.
21	Select **File/Save** 💾 from the menu bar to save the record. Then select File/Close.

Lesson 2 Activity #1

1. What are the four ways to create Direct Loan Records?

2. Which import method creates complete subsidized, unsubsidized, and PLUS loan records?

3. When importing from packaging, will you ever create a complete PLUS loan record?

4. Which area of the Loans tab displays the Loan Status?

5. What elements make up a Loan ID?

6. What is the Web address for verifying a parent borrower's credit rating?

7. Under PLUS Data, what type of information is entered in the Parent Information area?

8. When a loan period code is selected to create a loan, what fields in the Borrower information area are automatically filled in?

9. Which fields in the Borrower Information area are displayed on the unsubsidized loan only?

10. The MPN Status displays for which loan types?

Lesson 2 Activity #2

Scenario:

The student is an undergraduate, dependent student at grade level 3 and has already received a $5500 subsidized loan. The MPN has been accepted for the subsidized loan. The parents applied for a PLUS loan but have a denied credit decision. The student would like to apply for the maximum amount in unsubsidized loan funds for which he is eligible. After checking his cost of attendance and total aid, you determine his maximum eligibility is $5,000 for the loan period 8/15/02 - 6/15/03. He is not in default on any loans.

Instructions:

Manually add an unsubsidized Direct Loan for this student based on the above scenario. The SSN is 340-52-9889.

Hint: Use Record Add and Copy features.

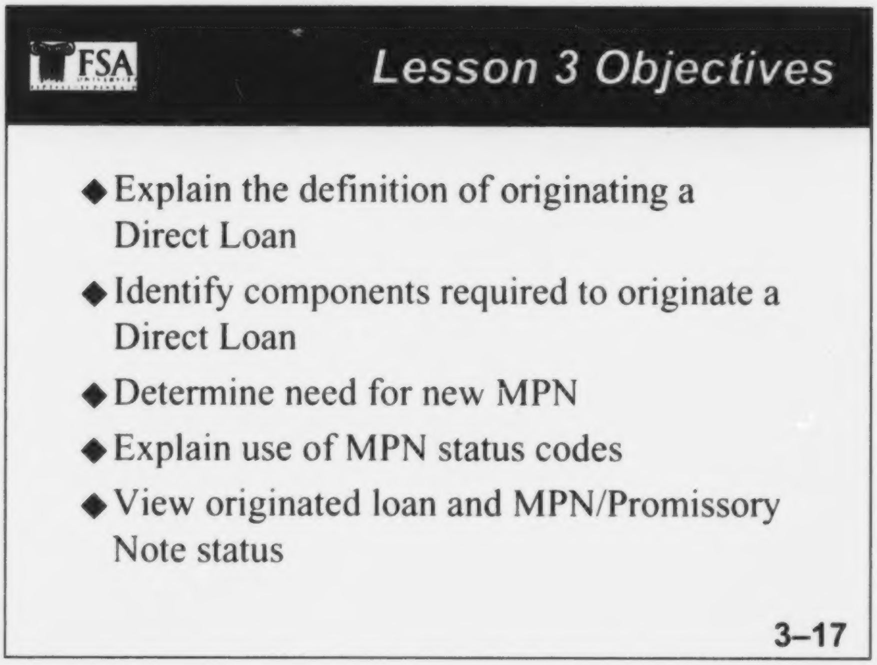
Review:

What additional field is required on this loan that was not required on the student's subsidized loan?

What is the Loan Status after you save the record?

Session 3—Beginning the Direct Loan Process

Lesson 3: Originating Direct Loan Records



Lesson 3 Objectives

- Explain the definition of originating a Direct Loan
- Identify components required to originate a Direct Loan
- Determine need for new MPN
- Explain use of MPN status codes
- View originated loan and MPN/Promissory Note status

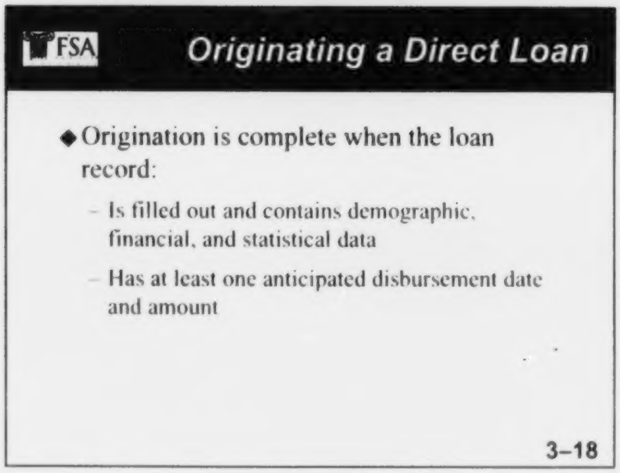
Key Terms

Origination

Origination is the process that edits the loan record and generates anticipated disbursements.

Anticipated Disbursements

The anticipated disbursements are calculated based on the Loan Period Code assigned to the loan when it was created. EDExpress divides the total loan amount evenly between the number of disbursements and calculates the fee, rebate, and net amount of each individual disbursement.



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Originating a Direct Loan

- ◆ Origination is complete when the loan record:
  - Is filled out and contains demographic, financial, and statistical data
  - Has at least one anticipated disbursement date and amount

3–18

Originating a Direct Loan

A loan record must be originated before the full origination record can be exported and transmitted to the Common Origination and Disbursement System.

Once you finish entering data or importing data to create a loan record, you must originate the loan. In the origination process:

- Edits are performed by the software for required data.
- The gross, fee, rebate, and net amounts of anticipated disbursements are calculated.

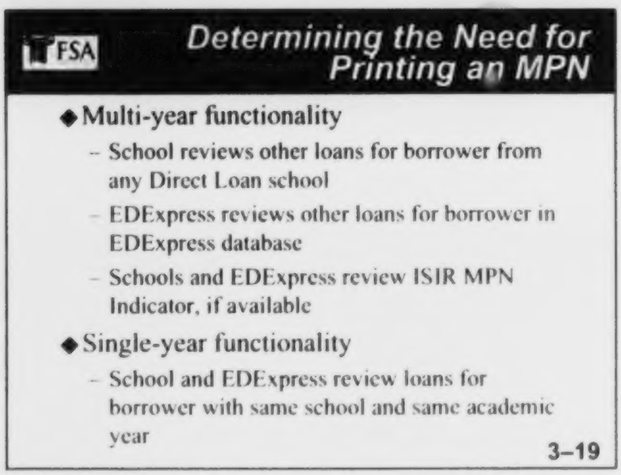
Origination is complete when the loan record:

- Is filled out and contains demographic, financial, and statistical data, such as college grade level; and
- Has at least one anticipated disbursement date and amount.

Transmission of the origination record informs the COD system of your intent to submit an MPN or promissory note (if necessary), draw down funds, and make disbursements.

If any data is missing or invalid, the origination process is stopped and you are prompted to enter the required data and then try originating again. Once a loan is originated, EDExpress changes the record's loan status from N (not ready to export) to R (ready to export) and the Origination Date is updated.

***Note**: The origination process establishes the student's eligibility for the loan and must be completed by the last day of attendance or the end of the loan period, whichever is earlier.*



Determining the Need for Printing an MPN

- Multi-year functionality
  - School reviews other loans for borrower from any Direct Loan school
  - EDExpress reviews other loans for borrower in EDExpress database
  - Schools and EDExpress review ISIR MPN Indicator, if available
- Single-year functionality
  - School and EDExpress review loans for borrower with same school and same academic year

3–19

Determining the Need for Printing an MPN

Upon origination, EDExpress determines the need for printing an MPN. This assumption is verified by the COD system when a loan record is accepted and acknowledged.

EDExpress uses Direct Loan setup to determine if your school is processing MPNs using single-year or multi-year functionality.

For single-year processing, EDExpress determines the MPN status by reviewing the MPN status of other loans in EDExpress for the borrower with the same academic year start and end dates.

For multi-year processing, EDExpress determines the MPN status by reviewing the MPN status of other loans in EDExpress for the borrower and by reviewing the ISIR MPN Status if available. Some suggested methods for identifying the existence of the MPN are:

- Review your own data. Did the student have a loan last year? The loan information could be stored in EDExpress or your own data system.
- Check the NSLDS Web site. You can review the student's loan history to see if a loan was processed for the previous year at a Direct Loan school.
- Review the NSLDS data as part of the ISIR. You can review the student's loan history to see if a loan was processed for the previous year at a Direct Loan school.
- Wait for the origination acknowledgement from the COD system. The MPN Status is automatically updated to A if an MPN is already on file.

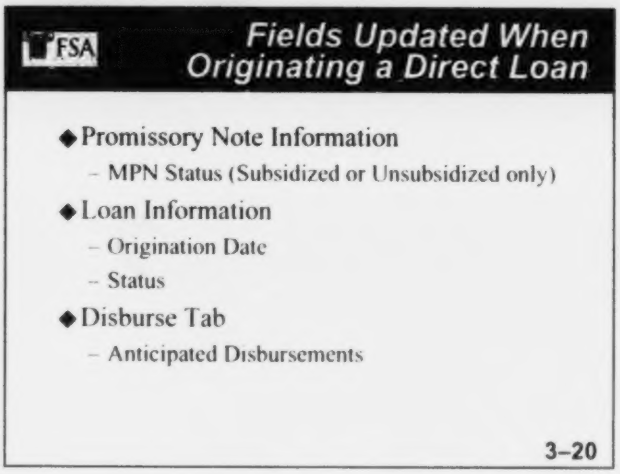
If you determine the MPN exists by one of the first three methods above, you can enter a value of T (school assumes MPN exists) in the MPN Status field when you create a loan.

Determining the Need for Printing an MPN (continued)

No matter which method you use to gather information about the MPN, you can use any of three methods to update the field: Import Add, Multiple Entry, and Manual Entry.

An open MPN is valid for up to 10 years from the date of the first anticipated disbursement if an actual disbursement has been made. A student may close an MPN with a written request to the Direct Loan Servicing Center or their school. Once an MPN has been closed, no new loans can be linked by the COD system to the closed MPN. However, all disbursements and booking activity for the loans already attached to the closed MPN will be processed.

If the MPN is closed and the school determined that an MPN existed prior to receiving the origination acknowledgement, the MPN status is updated by the loan origination acknowledgement indicating that an MPN does, in fact, need to be printed.



FSA

Fields Updated When Originating a Direct Loan

- Promissory Note Information
  - MPN Status (Subsidized or Unsubsidized only)
- Loan Information
  - Origination Date
  - Status
- Disburse Tab
  - Anticipated Disbursements

3-20

Fields Updated When Originating a Direct Loan

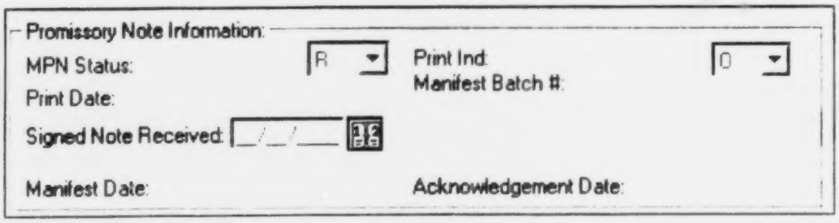
On the Direct Loan Record there are certain fields that are updated when the loan is originated.

They are described below according to the area on the loan record where they are located.

Loans Tab

Promissory Note Information

MPN Status (Subsidized or Unsubsidized only)--This field may be updated during origination from a value of N (not ready to print) to a value of R (ready to print) if EDExpress doesn't determine that a previous MPN exists for that student. If EDExpress does determine that another MPN exists for the student, the value will be updated from N (not ready to print) to T (school assumes MPN exists). If the value is already T prior to origination, the value remains a T.



Promissory Note Information
MPN Status: R
Print Ind: 0
Print Date:
Manifest Batch #:
Signed Note Received: __/__/____
Manifest Date:
Acknowledgement Date:

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Loans Tab (continued)

Loan Information

Origination Date--This field is updated with the PC's system date. Once the loan is originated this date is never updated again.

Status--This field is updated from a value of N (not ready to send to COD) to a value of R (ready to send to COD).

Disburse Tab

Anticipated Disbursements--The anticipated disbursements are calculated based on the Loan Period Code assigned to the loan when it was created. EDExpress divides the total loan amount evenly between the number of disbursements and calculates the fee, rebate, and net amount of each individual disbursement.

Instructor Demonstration: Originating a Direct Loan

Step	Action
1	Select **File/Open** from the menu bar.
2	Type the student's SSN in the field or click the **ellipsis (...)** button for a grid of all student records in the database. Highlight the student's record you would like to open; in this case, **690-13-5743**.
3	Click the **Loans** tab. The first loan record for the student will be displayed.
4	Click the **next record** button on the tool bar to scroll to the correct record. In this example, we will scroll to loan 2 of 3.
5	Select **Process/Originate** to originate the loan.
6	If the loan record passes all edits for originating a loan, a pop-up window will display with the message Loan Originated. Click **OK**.
7	Click the **Close** icon to close the record.

Lesson 3 Activity

Match the beginnings of the sentences with the ends of the sentences below. Enter the number from the beginning of the sentence in the blank shown before the end of the sentence.

Beginning of the sentence:

1. Some of the data elements necessary to originate a loan record are:
2. Origination is complete when:
3. A suggested method for identifying the existence of the MPN is:
4. The fields on the Loans tab that are updated after origination are:
5. The fields updated on the Disburse tab after origination are:
6. If you are a multi-year function school and EDExpress determines that a previous MPN exists during origination, the software will update the MPN Status from:

Ending of the sentence:

______ the anticipated disbursement, including gross amount, fee, rebate, and net amount.

______ the loan record is filled out and contains demographic, financial, and statistical data; and has at least one anticipated disbursement date and amount.

______ dependency status; loan amount approved; college grade level.

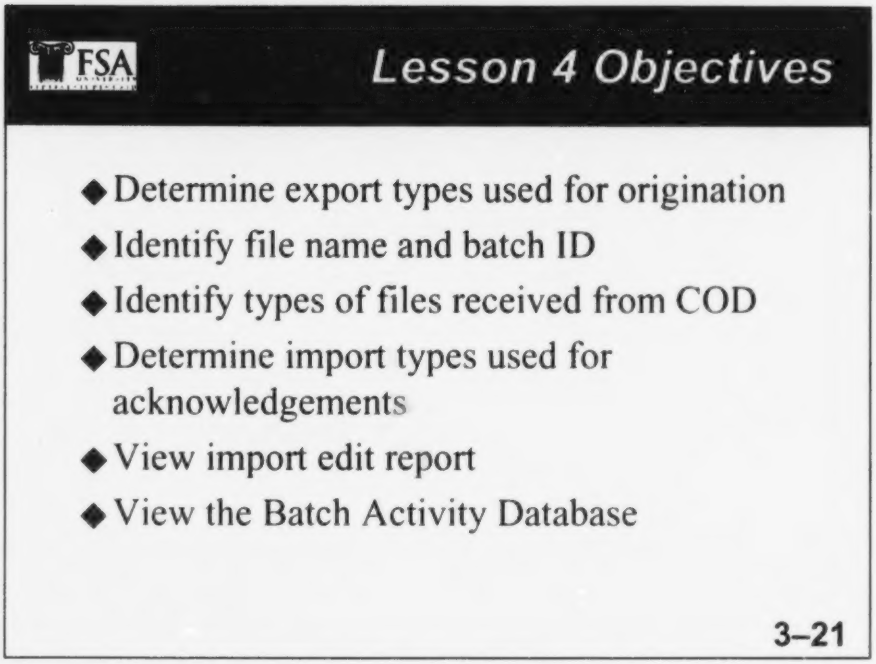
______ N (not ready to Print) to T (school assumes MPN exists).

______ review your school's own data to check for an MPN from a previous loan.

______ origination date, loan status, and MPN status, if needed.

Session 3—Beginning the Direct Loan Process

Lesson 4: Exporting and Importing Origination Records



Lesson 4 Objectives

- Determine export types used for origination
- Identify file name and batch ID
- Identify types of files received from COD
- Determine import types used for acknowledgements
- View import edit report
- View the Batch Activity Database

Key Terms

Batch ID

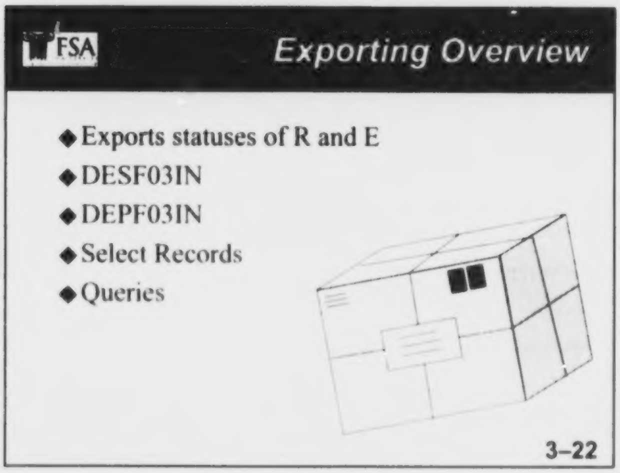
This number is generated by EDExpress when a school batches a group of origination, change or disbursement records or by the COD system when a group of promissory notes are acknowledged. The batch ID is unique to that batch.

Message Class

The message class is the filename of a batch of records that identifies the type of records in the batch.

Origination Acknowledgement

An Origination Acknowledgement is a notification sent to schools by the COD system indicating whether origination records you have transmitted are accepted or rejected. Each record includes a flag indicating acceptance or rejection and, if rejected, why it was rejected. An edit report details the loan ID and edit/reject codes.



Exporting Overview

- ◆ Exports statuses of R and E
- ◆ DESF03IN
- ◆ DEPF03IN
- ◆ Select Records
- ◆ Queries

3–22

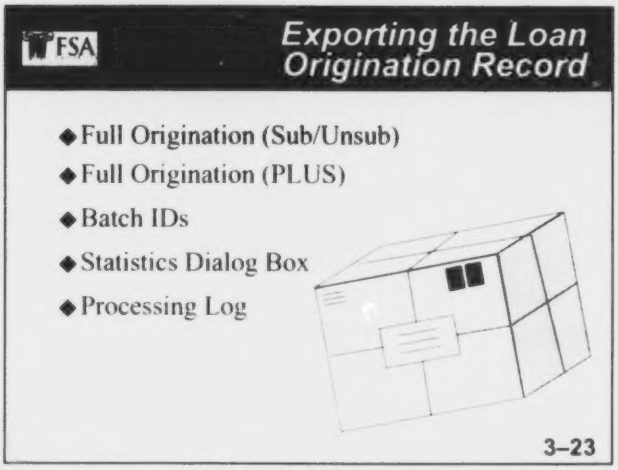
Exporting Overview

Exporting takes the loan origination records on your database that have an R (ready) or E (origination error received from the COD system) status in the Loan Information area and creates a file that can be transmitted to the COD system. The status code on each exported record is changed to B (batched). Each exported file receives a message class or filename of DESF03IN (subsidized and unsubsidized) or DEPF03IN (PLUS loans) that identifies the type of records. Also, exporting assigns a Batch ID to the file. Browse the batch activity database after exporting records to monitor actions you have taken.

You may also filter the records you export to the COD system. Using the Select Records function in EDExpress gives you the ability to mark only certain records to be exported in a file rather than exporting all records that are at R or E status. The Select Records grid only displays those records that have a status of R or E.

You may also use a query to filter the records to be exported. For example, you may want to use a query to filter out the records at E status so that they are not sent to the COD system until the error has been resolved. To do this, use the predefined "Origination Status" query with R as the parameter value.

Note: Exporting is not the same as transmitting. After you've exported the records from EDExpress, you need to use EDconnect to transmit the file to the SAIG.



Exporting the Loan Origination Record

- ◆ Full Origination (Sub/Unsub)
- ◆ Full Origination (PLUS)
- ◆ Batch IDs
- ◆ Statistics Dialog Box
- ◆ Processing Log

3–23

Exporting the Loan Origination Record

To export the Subsidized or Unsubsidized Origination records, select the export type of COD Full Origination (Sub/Unsub).

The Batch ID of this export type begins with #D. An example of this Batch ID is #D3E00639200202221540005.

To export the PLUS Origination records, select the export type of COD Full Origination (PLUS).

The Batch ID of this export type begins with PF. An example of this Batch ID is PF3E00639200202221 32906.

When the export is complete a statistics dialog box displays which informs you of the following:

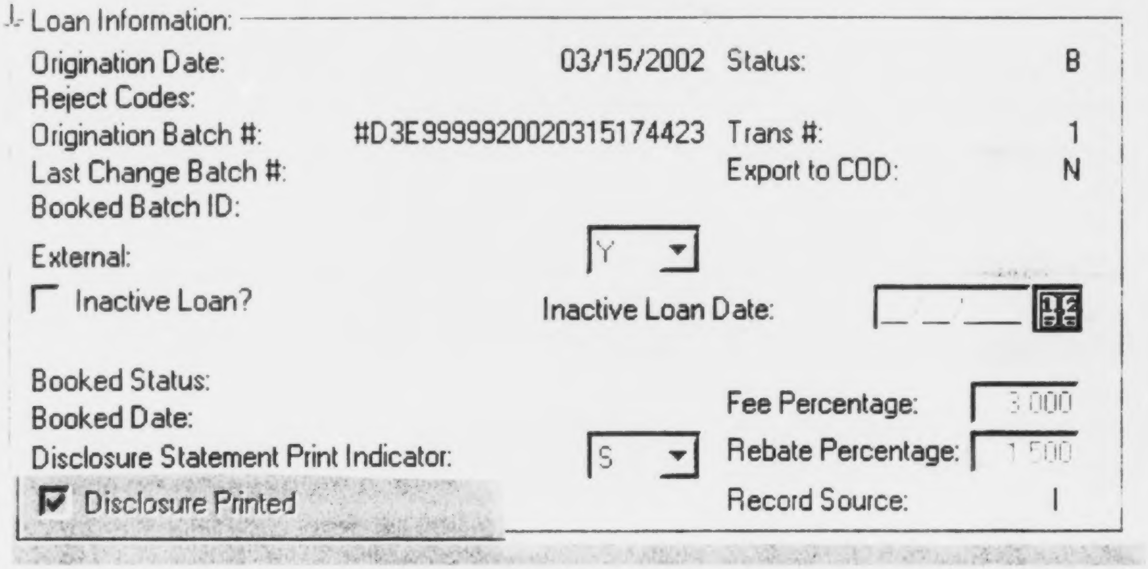
- The number of records exported and processed in the export file.
- The message class and path assigned to the export file.
- The batch ID assigned to the export file.

It is recommended that you note the batch ID and the filename in your tracking log.

Exporting the Loan Origination Record (continued)

Each time a record is included in an export, information about the batch is stored on the record and status codes are updated. This information is found in the Loan Information area of the Loans Tab. The updates are:

- The loan status is updated to B (Batched).
- The Batch ID is assigned to the record.
- The loan transmission number is increased and the COD indicator changes to N, for no.



Loan Information:
Origination Date: 03/15/2002
Status: B
Reject Codes:
Origination Batch #: #D3E9999920020315174423
Trans #: 1
Last Change Batch #:
Export to COD: N
Booked Batch ID:
External: Y
☐ Inactive Loan?
Inactive Loan Date: __/__/____
Booked Status:
Booked Date:
Fee Percentage: 3.000
Disclosure Statement Print Indicator: S
Rebate Percentage: 1.500
☑ Disclosure Printed
Record Source: I

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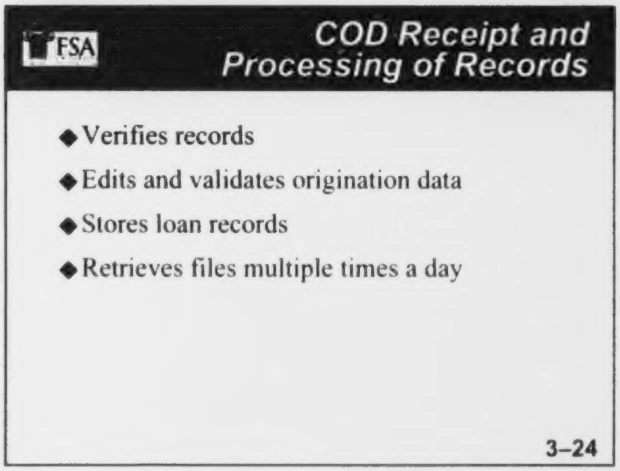


FSA

COD Receipt and Processing of Records

- Verifies records
- Edits and validates origination data
- Stores loan records
- Retrieves files multiple times a day

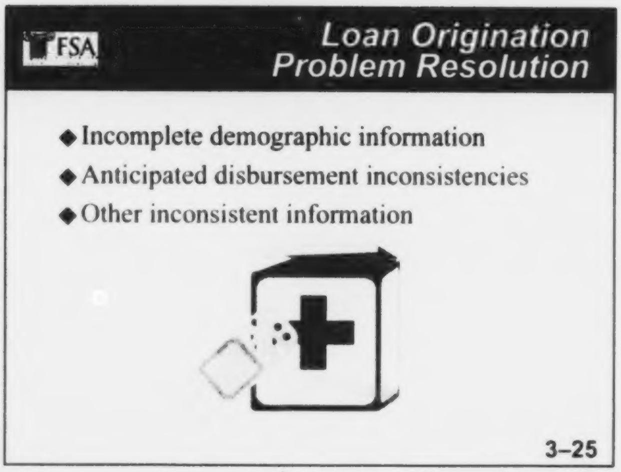
3–24

COD Receipt and Processing of Records

The Common Origination and Disbursement System:

- Verifies the loan origination record for completeness and accuracy
- Edits and validates loan origination data within one business day
- Stores records until the loan is booked or the record is purged

The COD system picks up the electronic message classes from your mailbox multiple times a day.



Loan Origination Problem Resolution

- Incomplete demographic information
- Anticipated disbursement inconsistencies
- Other inconsistent information

3–25

Loan Origination Problem Resolution

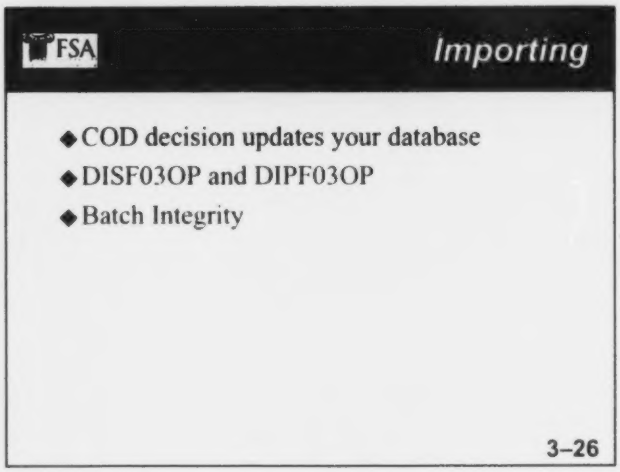
Frequent reasons a loan origination record rejects are:

- Incomplete demographic information (name, address, alien registration number). The school must contact the borrower to obtain complete information.
- Anticipated disbursement inconsistencies (fewer than two, not within loan period, not in date order, or greater than total approved loan amount)
- Other inconsistent information which the school must resolve directly with the COD system.

Common Direct Loan errors:

- Maximum loan limit has been exceeded
- Anticipated disbursement total is greater than loan amount approved
- Same Social Security number cannot belong to another borrower

Note: *The errors listed above were the most common errors reported when the data was processed by the LOC. The COD system now uses different edits, so the errors may be different.*



FSA

Importing

- ◆COD decision updates your database
- ◆DISF03OP and DIPF03OP
- ◆Batch Integrity

3–26

Importing

Upon importing loan origination acknowledgements, the COD system's decision updates your database. You must have an accepted status to continue processing the loan record. In cases where the loan record is rejected, you must resolve and resubmit the entire loan record to the COD system.

You receive the acknowledgement files in two message classes or filenames, depending on the type of loan. For subsidized and unsubsidized origination acknowledgements, you receive a DISF03OP file. For a PLUS origination acknowledgement, you receive a DIPF03OP file. You receive these files via SAIG using EDconnect.

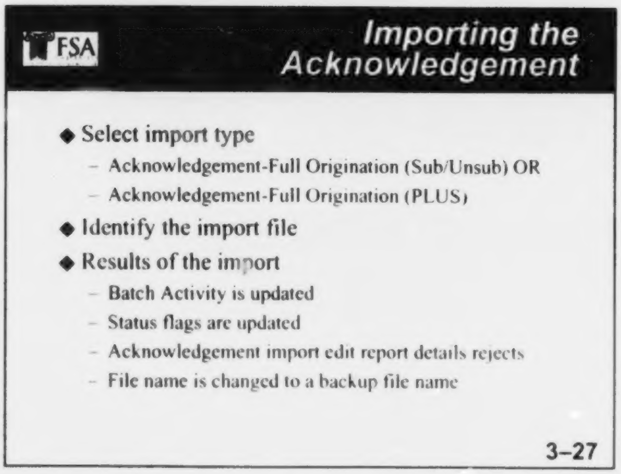
For each batch of loan origination records you send to the COD system, you receive one acknowledgement file. This file indicates whether the individual records in the batch are rejected or accepted.

The COD system returns information on records (and the same number of records) in the same batches in which they were received. This is called batch integrity.

The COD system returns an acknowledgement record for every full origination, change, or disbursement record your school submits. For example, if you submit a full origination batch of 1,000 records, the COD system returns an acknowledgement file responding to only those 1,000 records. The acknowledgement file always contains the Batch ID of the corresponding submission.

Batch integrity does not apply to promissory note acknowledgements, COD system-initiated batches, data imported from other EDExpress modules, or data imported from external files.

A batch integrity error occurs if all records and batch ID in the acknowledgement file do not match the batch submitted. This error does not allow the acknowledgement file to be imported. Using EDExpress to create batches and import acknowledgements reduces errors of this type.



Importing the Acknowledgement

- Select import type
  - Acknowledgement-Full Origination (Sub/Unsub) OR
  - Acknowledgement-Full Origination (PLUS)
- Identify the import file
- Results of the import
  - Batch Activity is updated
  - Status flags are updated
  - Acknowledgement import edit report details rejects
  - File name is changed to a backup file name

3–27

Importing the Loan Origination Acknowledgement

When you receive an acknowledgement using EDconnect, you need to import the batch into EDExpress.

To import the DISF03OP (Subsidized/Unsubsidized acknowledgement) you need to select the import type, Acknowledgement-Full Origination (Sub/Unsub).

To import the DIPF03OP (PLUS acknowledgement) you need to select the import type, Acknowledgement-Full Origination (PLUS).

Once you have selected the desired Import type in the Import dialog box, you must identify the specific file. The field displays the path and generic filename (C:\IAM\DATA\DISF03OP.*) for the import file type selected. Click the File button to display a list of all files that match the file type. Each file is uniquely identified by the number in the three-character filename suffix. The files are assigned the suffix in this order: dat, 001, 002, 003, etc.

What Happens When You Import?

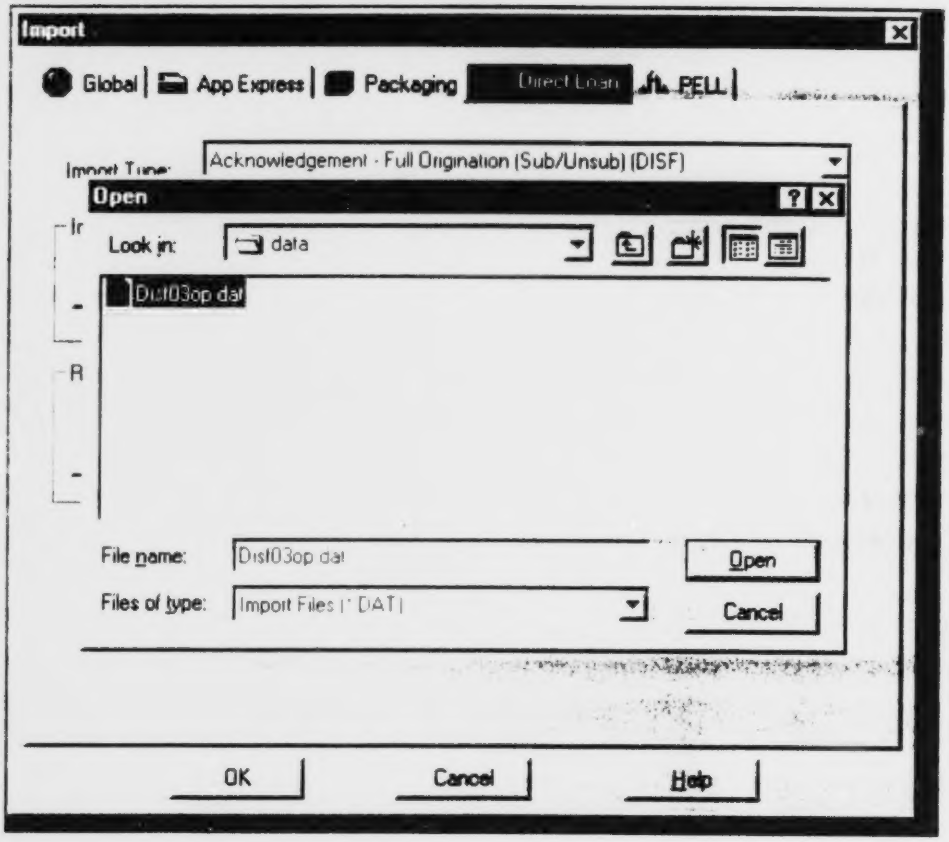
Four important events take place when you run the Import command for an acknowledgement:

1. Batch Activity Update—The batch activity database is updated with a confirmation date.

2. Status Flags—Each record in the acknowledgement file updates the status flag for that record in EDExpress.

3. Acknowledgement Import Edit Report—An acknowledgement report is generated that displays the corresponding batch ID and details any rejections.

4. File Name—The filename is changed by EDExpress to a backup filename. For example, DISF03OP is changed to DISF03BK.



Import
Global
App Express
Packaging
Direct Loan
PELL
Open
OK
Cancel
Help

Import Type: Acknowledgement - Full Origination (Sub/Unsub) (DISF)

Look in: data

Dist03op.dat

File name: Dist03op.dat

Files of type: Import Files (*.DAT)

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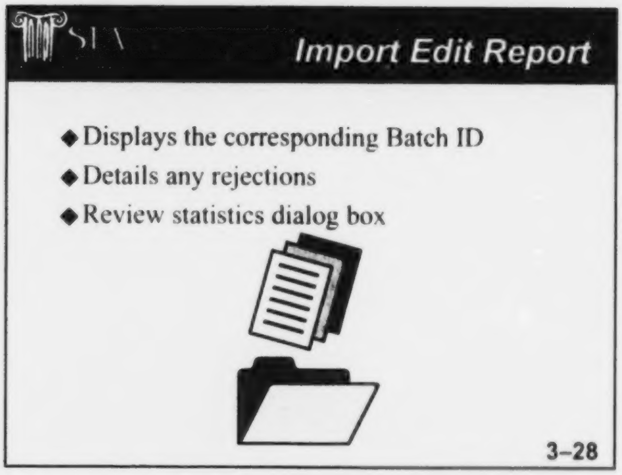


Import Edit Report

- ◆ Displays the corresponding Batch ID
- ◆ Details any rejections
- ◆ Review statistics dialog box

3–28

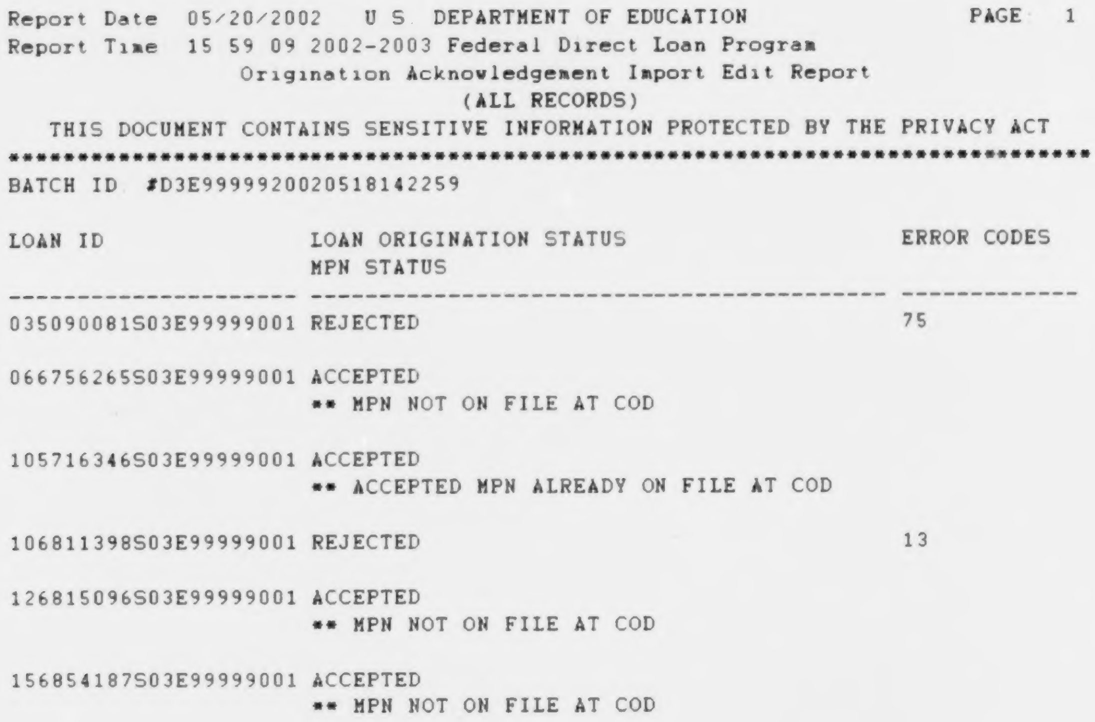
The Origination Acknowledgement Import Edit Report

After the Origination Acknowledgement import is complete, an Import Edit Report can be printed.

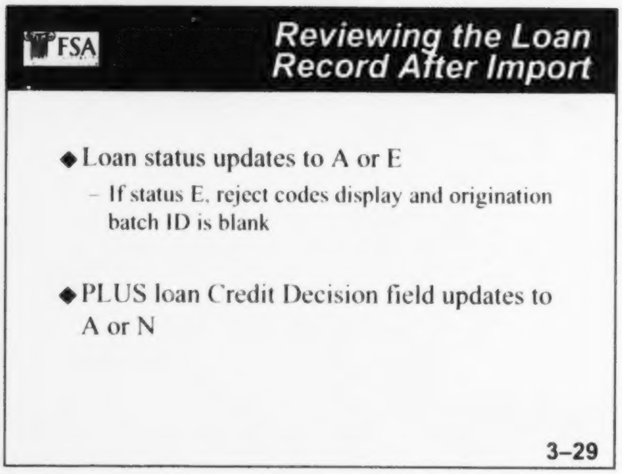
This report displays the corresponding Batch ID and details any rejections. You should keep these reports to help you track and resolve any rejects.

After the import of the acknowledgement is complete, the statistics dialog box shows:

- Which directory the file was imported from
- The total number of records that were accepted
- The total number of records in error
- The total number of records in the batch



```
Report Date  05/20/2002   U S  DEPARTMENT OF EDUCATION                PAGE   1
Report Time  15 59 09 2002-2003 Federal Direct Loan Program
                  Origination Acknowledgement Import Edit Report
                                  (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************
BATCH ID  #D3E99999200205181422259

LOAN ID               LOAN ORIGINATION STATUS                    ERROR CODES
                      MPN STATUS
--------------------- ------------------------------------------ -------------
035090081S03E99999001 REJECTED                                   75

066756265S03E99999001 ACCEPTED
                      ** MPN NOT ON FILE AT COD

105716346S03E99999001 ACCEPTED
                      ** ACCEPTED MPN ALREADY ON FILE AT COD

106811398S03E99999001 REJECTED                                   13

126815096S03E99999001 ACCEPTED
                      ** MPN NOT ON FILE AT COD

156854187S03E99999001 ACCEPTED
                      ** MPN NOT ON FILE AT COD
```



Reviewing the Loan Record After Import

- Loan status updates to A or E
  - If status E, reject codes display and origination batch ID is blank
- PLUS loan Credit Decision field updates to A or N

3–29

Reviewing the Loan Record After Importing the Acknowledgement

Updates are performed on the Loans tab for each loan record included in the imported acknowledgement. This information is found in the Loan Information area. The following updates are made:

- The loan status is updated to A (Accepted by the COD system) or E (origination error received from the COD system). If the origination was rejected:
  - The Reject Codes display, and
  - The Batch ID is blank.
- If the origination is a PLUS loan, the Credit Decision field is updated with values of A (Credit Approved) or N (Credit denied; need endorser).

Lesson 4 Activity #1

Mark the following items "T" for True or "F" for False:

1.____ Creating an export batch is the final step of the origination process.

2.____ The Common Origination and Disbursement System will acknowledge loan origination records grouped the same way they were sent.

3.____ Origination records for Subsidized Loans can be batched together with Unsubsidized Loan origination records.

4.____ Origination records for PLUS Loans can be batched together with Subsidized Loan and Unsubsidized Loan origination records.

5.____ Each batch of origination records you export and transmit to the Common Origination and Disbursement System will result in a batch of origination acknowledgement records that you must import upon receipt.

Lesson 4 Activity #2

Review the Batch Activity Database in the software. Information about the Batch Activity database may be found in Session 2.

1. How do you find the Direct Loan Batch Activity Database in the EDExpress software?

____

2. Write down the batch ID for one batch of Sub/Unsub origination records that you see listed in the Batch Activity database______________________
   a. How could you tell which batches were origination batches?______________________

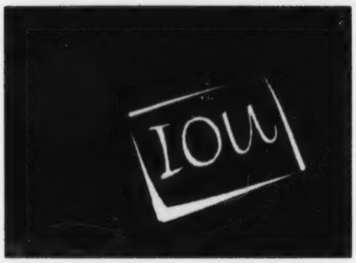
   ____

   b. How many records are in the batch?__________
   c. Are there any rejected origination records?__________
   d. Is there an import batch file? Why or why not?__________________
   e. What does the export batch file tell you?____________________
   f. What was the user ID of the person who exported this batch? __________
   g. If this batch was updated, list by whom and when. ______________
3. Write down the batch ID for one batch of PLUS Origination records that you see listed in the Batch Activity database______________________________
   a. How could you tell which batches were PLUS Origination batches?

   ____

   ____

   b. How many records are in the batch?__________
   c. Are there any rejected disbursement records?__________
   d. Is there an import batch file? Why or why not?__________________
   e. What does the export batch file tell you?____________________
   f. What was the user ID of the person who exported this batch? __________
   g. If this batch was updated, list by whom and when? ______________



Session 4: Master and PLUS Promissory Notes

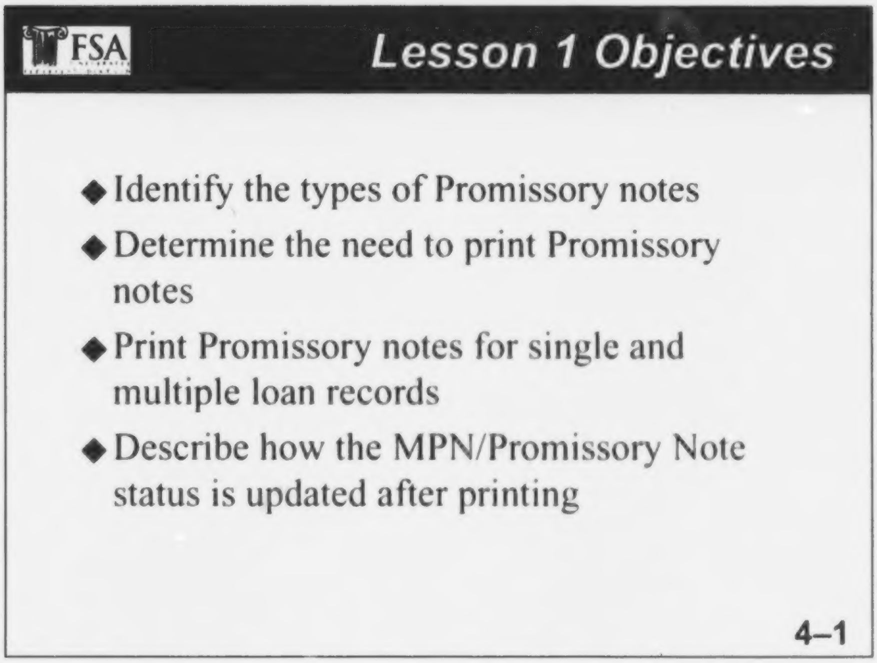
Lesson 1—How to Print

Lesson 2—Creating a Promissory Note Manifest

Lesson 3—MPN/PLUS Promissory Note Acknowledgements

Session 4—Master Promissory Notes and PLUS Promissory Notes

Lesson 1: How to Print



Lesson 1 Objectives

- Identify the types of Promissory notes
- Determine the need to print Promissory notes
- Print Promissory notes for single and multiple loan records
- Describe how the MPN/Promissory Note status is updated after printing

Key Terms

ISIR MPN Indicator

The ISIR MPN Indicator is the status of a borrower's MPN in the COD system at the time the ISIR is generated.

Master Promissory Note

A Master Promissory Note (MPN) is a legal document requiring the borrower of a Direct Subsidized or Direct Unsubsidized Loan to repay the funds borrowed under the Direct Loan Program. The MPN is the only approved promissory note for subsidized and unsubsidized loans under the Direct Loan Program and is used by all schools.

MPN ID

The MPN ID is generated by EDExpress and is the identification number printed on an MPN. The MPN ID is used by the COD system to link loans to an MPN. For printed MPNs for 2000–2001 and forward, the format of the MPN ID is the same as a Loan ID except an "M" is used instead of "S" or "U" in the loan type code field.

MPN Type

The MPN Type field on the MPN/PLUS Promissory Note Acknowledgement record indicates whether a Subsidized/Unsubsidized Master Promissory Note (MPN) is electronic or paper. It is not a viewable field on the loan screen in EDExpress.

MPN Y/N Indicator

This field on the Full Loan Origination Acknowledgement Record indicates whether or not a valid MPN is on file at the LOC for a specific loan. It is not a viewable field on the loan screen in EDExpress.

Multi-year Functionality

Multi-year functionality for the MPN applies to all 4-year and graduate/professional schools that are not subject to an emergency action or limitation, suspension, or termination (LS&T) action per Direct Loan regulations. For multi-year functional schools, Direct Subsidized and Unsubsidized borrowers can sign one MPN for all of their loans.

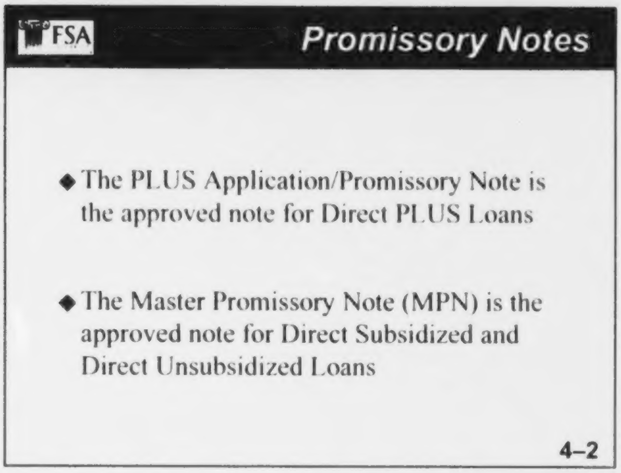
Key Terms (continued)

PLUS Application/Promissory Note or PLUS Promissory Note

A PLUS Application/Promissory Note or PLUS Promissory Note is a legal document requiring the parent borrower of a Direct PLUS Loan to repay the funds borrowed under the Direct Loan Program.

Single-year Functionality

Schools processing MPNs using single-year functionality must generate a new MPN for each academic year. A single-year processing school must use an MPN generated at or for that school for that borrower with the exact same academic year start and end date.



FSA **Promissory Notes**

- ◆ The PLUS Application/Promissory Note is the approved note for Direct PLUS Loans
- ◆ The Master Promissory Note (MPN) is the approved note for Direct Subsidized and Direct Unsubsidized Loans

4–2

Master Promissory Note and PLUS Promissory Note

A promissory note is a legal document requiring a borrower to repay the funds borrowed under the Direct Loan Program.

The PLUS Promissory Note/Application is the approved promissory note for PLUS Loans and must be signed by the parent borrower and the student.

The Master Promissory Note (MPN) is the only approved promissory note for Direct Subsidized and Direct Unsubsidized Loans. All Direct Loan schools use the MPN whether the school is processing MPNs using multi-year or single-year functionality.

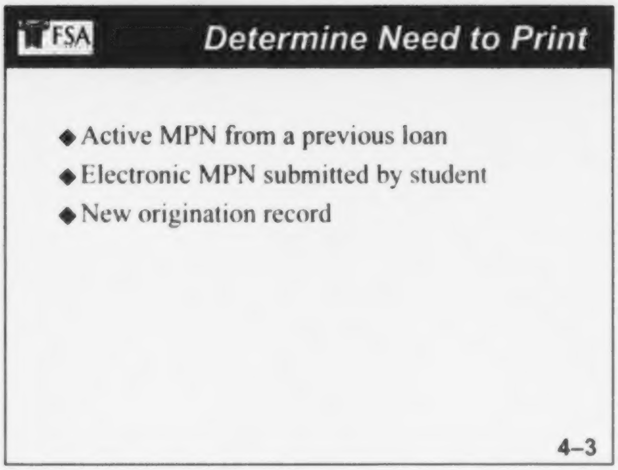
Multi-Year Functionality

Multi-year functionality for the MPN applies to all eligible 4-year undergraduate and graduate, professional schools per Direct Loan regulations. If the school is eligible and chooses to process MPNs using multi-year functionality, the borrower may receive additional loans under the same MPN for up to 10 years if he or she continues to attend multi-year Direct Loan schools.

A borrower who does not want to receive more than one loan under the same MPN must notify in writing either the Direct Loan Servicing Center or the school. Schools receiving this written notification must submit the original document to the LOC.

Single-Year Functionality

If your school is not eligible for or chooses not to use multi-year functionality, you must process MPNs using single-year functionality. Under single-year functionality, schools processing MPNs must generate a new MPN for each academic year for each borrower.



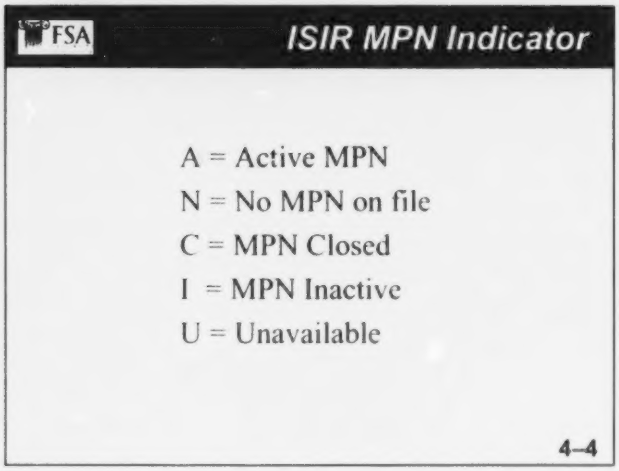
FSA **Determine Need to Print**

- ◆ Active MPN from a previous loan
- ◆ Electronic MPN submitted by student
- ◆ New origination record

4–3

Determine Need to Print

Before you print an MPN, you should determine whether a new MPN is needed. If you are a multi-year functional school, you may not need to print a new MPN if the student already has an active MPN from a previous loan. In addition, if the student has completed an electronic MPN, it is not necessary for you to print another MPN. If you have created a new origination record for a new student, or if the loan is a PLUS, you will need to print a promissory note. You also will most likely need to print an MPN if you are a single-year processing school.



FSA

ISIR MPN Indicator

A = Active MPN
N = No MPN on file
C = MPN Closed
I = MPN Inactive
U = Unavailable

4–4

ISIR MPN Indicator

The COD system passes the status of a borrower's MPN to NSLDS and the MPN status is provided on the ISIR as a NSLDS history field. The ISIR MPN Indicator provides the following statuses:

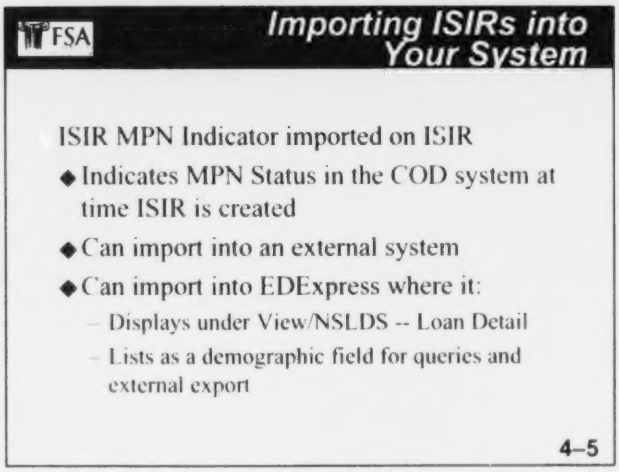
A	Active MPN
N	No MPN on file
C	All MPNs on file have been closed
I	All MPNs on file are inactive
U	Data unavailable

If your school processes MPNs using multi-year functionality, this indicator can assist in the decision-making process of whether or not a new MPN needs to be generated and submitted to the LOC.

For example, a status of "A" indicates the assumption that a valid MPN is on file at the LOC and that you need not generate and submit a new MPN at this time, while the statuses of "N," "C," "I," or "U" indicate that a new MPN is necessary.

Note: *A status of "A" on the ISIR MPN Indicator is the MPN Status at the time the ISIR is generated. It is possible that when the COD system receives the loan record that the loan period start date may be after the expiration date of the MPN and the Loan Origination Acknowledgement will indicate "N," no valid MPN on file at the LOC.*

If your school processes MPNs using single-year functionality the ISIR MPN Indicator is not a field you use in processing subsidized and unsubsidized loans. A new MPN must be generated and submitted for each student for each academic year.



FSA

Importing ISIRs into Your System

ISIR MPN Indicator imported on ISIR

- Indicates MPN Status in the COD system at time ISIR is created
- Can import into an external system
- Can import into EDExpress where it:
  - Displays under View/NSLDS -- Loan Detail
  - Lists as a demographic field for queries and external export

4–5

Importing the ISIR MPN Indicator

Schools processing MPNs using multi-year functionality and importing ISIRs into their Direct Loan system can use the ISIR MPN Status to assist in the determination as to whether a new MPN needs to be printed for a loan. Therefore, you may want to store and review this indicator during the loan origination process.

When ISIR data is imported directly into EDExpress, the ISIR MPN Status is stored within EDExpress and can be found under View/NSLDS on the tool bar. This ISIR MPN Status is used by EDExpress to determine if an MPN needs to be printed for a loan record.

Tip: This ISIR MPN Status is listed as a demographic field for queries and external export.

External System Users

Schools using an external system in combination with EDExpress and reviewing the ISIR MPN Indicator in their external system can import into EDExpress the assumption that an MPN exists. To import this assumption, an MPN Status of "T" is used in the External Import Add file or the External Import Change file.

For example, your external system reads the ISIR and views an MPN Status of "A" (Active MPN at LOC). You cannot import the ISIR MPN Indicator of "A" into EDExpress from an external system. Instead, using the External Import Add or External Import Change process, you can import an MPN Status of "T" (Assumes an MPN exists) into EDExpress. This allows EDExpress to process the loan without printing an MPN.

***Note:** The ISIR post screening process updates the ISIR MPN Status when the COD system updates a borrower's MPN Status from accepted (A) to inactive (I), closed (C), or not a valid MPN (N).*

FSA

ED Express DL System Setup

- "Do you use multi-year MPNs at your school?"
  - Default is checked
  - If Yes... Leave the box checked
  - If No... set box to blank

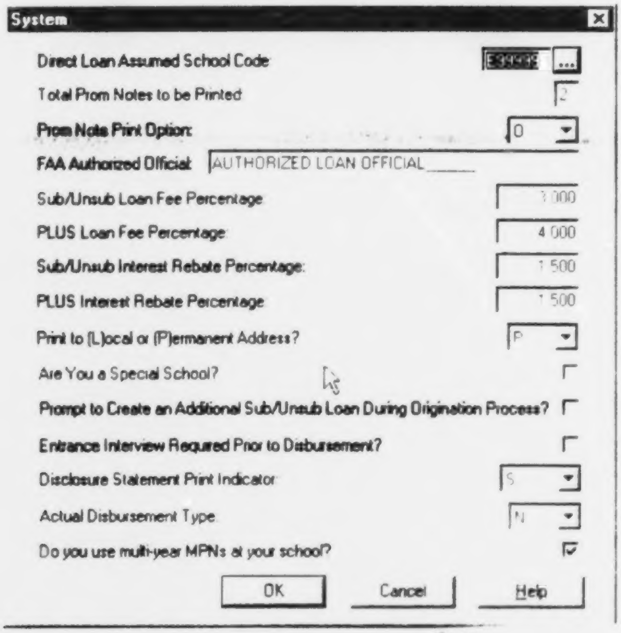
4–6

EDExpress Direct Loan System Setup

For optimal use of the ISIR MPN Indicator, your system will need to know whether your school is processing loans and MPNs using multi-year or single-year functionality.

A field in Direct Loan System Setup in EDExpress asks "Do you use multi-year MPNS at your school?" This field is a checkbox.

1. EDExpress defaults to a check-marked box indicating that yes, you are using multi-year functionality.
2. If you process using multi-year functionality, allow the check-marked box to stay marked.
3. If you process using single-year functionality, remove the check and leave the check box empty.



Direct Loan Assumed School Code: E99999
Total Prom Notes to be Printed: 2
Prom Note Print Option: 0
FAA Authorized Official: AUTHORIZED LOAN OFFICIAL
Sub/Unsub Loan Fee Percentage: 3.000
PLUS Loan Fee Percentage: 4.000
Sub/Unsub Interest Rebate Percentage: 1.500
PLUS Interest Rebate Percentage: 1.500
Print to (L)ocal or (P)ermanent Address?: P
Are You a Special School? ☐
Prompt to Create an Additional Sub/Unsub Loan During Origination Process? ☐
Entrance Interview Required Prior to Disbursement? ☐
Disclosure Statement Print Indicator: S
Actual Disbursement Type: N
Do you use multi-year MPNs at your school? ☑

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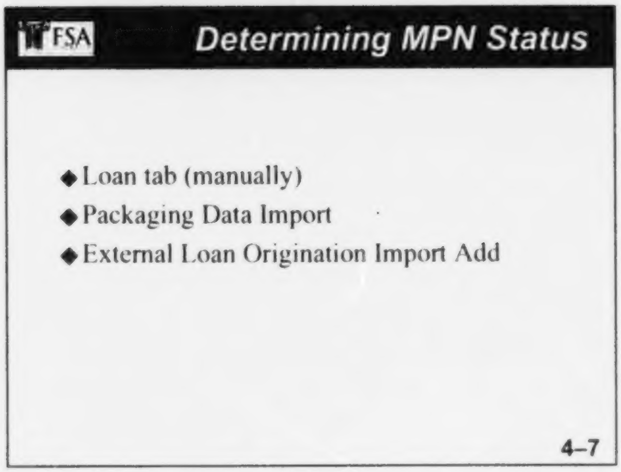


FSA **Determining MPN Status**

- ◆ Loan tab (manually)
- ◆ Packaging Data Import
- ◆ External Loan Origination Import Add

4–7

Determining MPN Status within EDExpress

EDExpress determines the MPN status of a loan at the point of origination and updates the MPN status field.

A loan can be originated through manual entry on the Loan tab, through a Packaging Data import, or through an External Import Add file.

The criteria EDExpress uses to determine the MPN status of a loan is based on whether you have indicated that you process loans using multi-year functionality or single-year functionality in Direct Loan Setup.

Determining MPN Status for Multi-Year Functionality

EDExpress reviews:

- ◆ MPN Status of other sub/unsub loans in EDExpress
- ◆ ISIR MPN Indicator imported into EDExpress

Determining MPN Status for Multi-Year Functionality

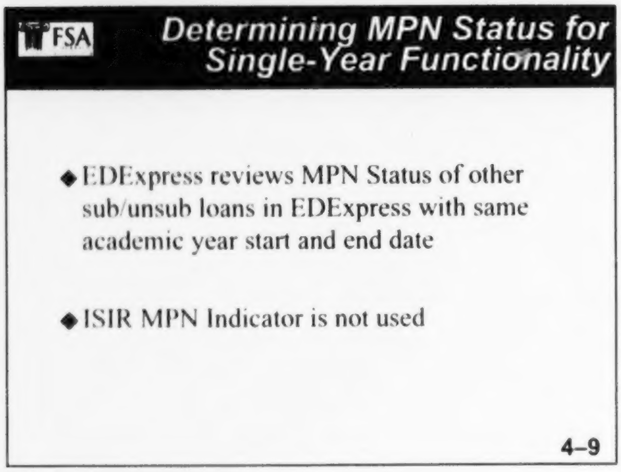
Determining the MPN Status for schools using multi-year functionality is a two-step decision-making process within EDExpress.

First, EDExpress checks for other existing originated subsidized or unsubsidized loans for the student. When another loan exists within EDExpress for a student, EDExpress reviews the MPN Status of the existing loan.

IF...	THEN...
The MPN Status of the existing loan indicates a valid MPN exists or assumes a valid MPN exists (A, P, S, M, or T)	EDExpress updates the MPN Status of the originating loan to "T," assumes a valid MPN exists.
The MPN Status of the existing loan indicates no valid MPN exists (R or N)	EDExpress sets the MPN Status of the originating loan to "R," ready to print, and a new MPN can be printed.

If this review determines that another MPN does not yet exist, EDExpress then checks the ISIR MPN Indicator.

IF...	THEN...
The ISIR MPN Indicator indicates an active MPN at the LOC (A)	EDExpress updates the MPN status of the originating loan to "T," assumes a valid MPN exists.
The ISIR MPN Indicator is blank or indicates no valid MPN (I, C, N, or U)	EDExpress sets the MPN Status of the originating loan to "R," ready to print, and a new MPN can be printed.



FSA

Determining MPN Status for Single-Year Functionality

- EDExpress reviews MPN Status of other sub/unsub loans in EDExpress with same academic year start and end date
- ISIR MPN Indicator is not used

4–9

Determining MPN Status for Single-Year Functionality

When determining the MPN Status of a loan at a school using single-year functionality, EDExpress looks for other originated subsidized or unsubsidized loans for the student with the same academic year within EDExpress.

IF...	THEN...
No other loans exist for this student within EDExpress	EDExpress sets the MPN Status of the originating loan to "R," ready to print, and a new MPN can be printed.
Another loan exists and the academic year start and end dates do NOT match the loan being originated	EDExpress sets the MPN Status of the originating loan to "R," ready to print, and a new MPN can be printed.
Another loan exists and the academic year start and end date match the loan being originated, EDExpress reviews the MPN Status of the existing loan	
If the MPN Status of the existing loan indicates a valid MPN exists or assumes a valid MPN exists (A, P, S, M, or T)	EDExpress updates the MPN Status of the originating loan to "T," assumes a valid MPN exists.
If the MPN Status of the existing loan indicates no valid MPN exists (R or N)	EDExpress sets the MPN Status of the originating loan to "R," ready to print, and a new MPN can be printed.

Note: *For schools implementing single-year functionality, the ISIR MPN Indicator is not used in the process to determine if a new MPN should be printed.*

Instructor Demonstration: Determining MPN Status within EDExpress:

In this demonstration, we show how to setup EDExpress to process using multi-year or single-year functionality, we view the imported ISIR MPN Indicator, and we originate a loan record determining the MPN Status.

In addition, we demonstrate the different results a school gets depending on whether you have indicated in DL System Setup that you are implementing multi-year or single-year functionality.

Direct Loan System Setup – Multi-Year Functionality

Step	Action
1	Select **Tools/Setup** from the menu bar. The Setup dialog box displays. If not already selected, Click the **Direct Loan** tab. Click the **System** button. The System dialog box displays.
2	Verify the checkbox labeled "**Do you use multi-year MPNs at your school?**" is checked. EDExpress is set up to process using multi-year functionality.
3	Click **OK**.

Viewing the ISIR MPN Indicator

Step	Action
1	From the menu bar, select **File/Open**.
2	Type **115-63-5416** as student's SSN.
3	Click **OK**. The Demo tab for Richard Cage displays. Click the **Loans** tab.
4	The subsidized loan record displays. Click the **Next Record** icon. The unsubsidized loan record displays. From the menu bar, select **View/NSLDS.** The NSLDS Financial Aid History dialog box displays.
5	Click the **Loan Detail** tab.
6	View MPN info. The DL MPN Status displays an "A", accepted MPN at the LOC.
7	Close dialog box. The unsubsidized loan record re-displays

Originate Loan and Determine MPN Status

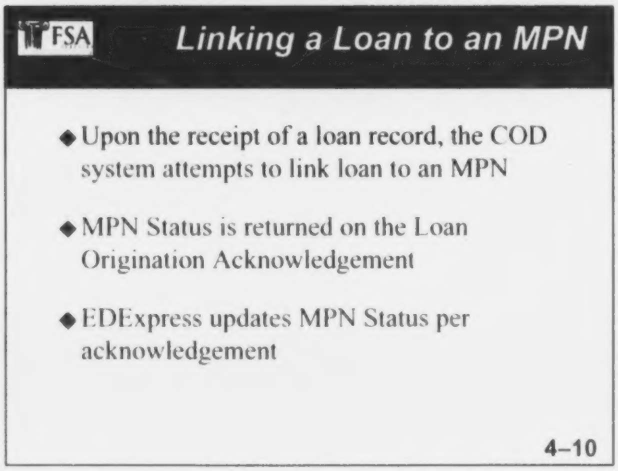
Here, we originate the loan for the same student.

Step	Action
8	While still in Richard Cage's unsubsidized loan record, prior to performing the Origination Process, note the MPN Status of "N" on the Loan tab.
9	From the menu bar, select **Process/Originate**.
10	Click **OK**.
11	View the updated MPN Status, now changed to "T," assume an MPN exists. This status of "T" is based on the ISIR MPN Indicator of "A."
12	From the menu bar, select **File/Close**.

Direct Loan System Setup – Single-Year Functionality

Select Single-year MPN in System Setup, Originate Loan and Determine MPN Status

Step	Action
1	Select **Tools/Setup** from the menu bar. The Setup dialog box displays. If not already selected, Click the **Direct Loan** tab. Click the **System** button. The System dialog box displays.
2	Click the box "**Do you use multi-year MPNs at your school?**" to remove the checkmark. EDExpress will now process using single-year functionality.
3	Click **OK**.
4	From the menu bar, select **File/Open.**
5	Type **451-91-6098** as student's SSN.
6	Click **OK**. The Demo tab for Buffy Summers displays.
7	Select the **Loans** tab.
8	From the menu bar, select **View/NSLDS.** The NSLDS Financial Aid History dialog box displays.
9	Select the **Loan Detail** tab.
10	View MPN info. The DL MPN Status displays an "A", active MPN at the LOC.
11	Close the dialog box. Click the **Next** icon to go to record 2of 2, the unsubsidized loan. Enter **2800** in **Loan Amount Approved** and select **N** for **Borrower's Loan Default/Grant Overpayment**.
12	Prior to performing the Origination Process, note the MPN Status of "N" on the Loan tab.
13	From the menu bar, select **Process/Originate**.
14	Click **OK**.
15	View the updated MPN Status of "R," ready to print. Since we selected single-year functionality, the system ignores the DL MPN Status of A. We get an MPN Status of "R" and NOT "T" as we did in the multi-year functionality example.
16	From the menu bar, select **File/Close**.



FSA

Linking a Loan to an MPN

- Upon the receipt of a loan record, the COD system attempts to link loan to an MPN
- MPN Status is returned on the Loan Origination Acknowledgement
- EDExpress updates MPN Status per acknowledgement

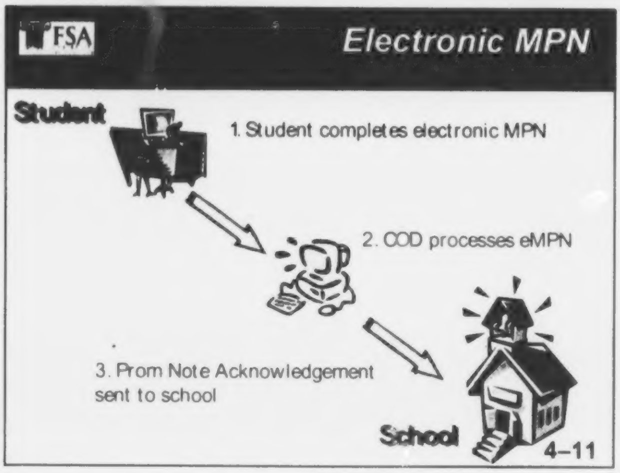
4–10

Linking a Loan to an MPN at the LOC

Based on the assumptions we have just discussed, EDExpress determined an MPN status for a loan. When the loan is accepted by the COD system, COD links the loan to an MPN if possible. The Loan Origination Acknowledgement (DISF03OP) contains the COD's MPN status for the loan record.

Upon import of the Loan Origination Acknowledgement, EDExpress updates the MPN Status of a loan.

IF MPN Status imported is:	**THEN EDExpress Updates to:**
A = Accepted MPN at the LOC	A = Accepted by the LOC
P = MPN not on file at the LOC	R = Ready to Print
I = Inactive	R = Ready to Print
C = Closed	R = Ready to Print
Q = Rejected	R = Ready to Print
X = Pending MPN at the LOC	X = Pending



FSA

Electronic MPN

Student

1. Student completes electronic MPN

2. COD processes eMPN

3. Prom Note Acknowledgement sent to school

School

4-11

Electronic MPN Process

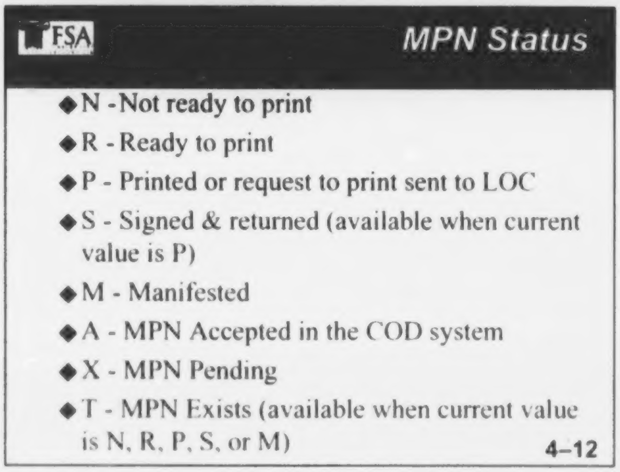
If your school has decided to offer the electronic MPN option to your students, you will receive acknowledgements from the COD system indicating that an MPN has been completed.

The MPN Type field on the MPN/PLUS Promissory Note Acknowledgement record indicates whether a Subsidized/Unsubsidized Master Promissory Note (MPN) is electronic or paper. It is not a viewable field on the loan screen in EDExpress

The valid values for the MPN Type are as follows:

E	An electronic MPN
Blank	A paper MPN or a PLUS Promissory Note

☺ ***Tip:*** *See the Custom Layouts section of the 2002-2003 Direct Loan Technical Reference guide for the MPN/PLUS Promissory Note Acknowledgement record layout.*



FSA

MPN Status

- N - Not ready to print
- R - Ready to print
- P - Printed or request to print sent to LOC
- S - Signed & returned (available when current value is P)
- M - Manifested
- A - MPN Accepted in the COD system
- X - MPN Pending
- T - MPN Exists (available when current value is N, R, P, S, or M)

4–12

Printing the MPN or the PLUS Promissory Note

There are several options for printing MPNs (subsidized/unsubsidized) and PLUS Promissory Notes (PLUS). Who prints your MPNs or PLUS Promissory Notes is determined in the Direct Loan System Setup. (See Session 3, Lesson 1). The Print Indicator is also found on each individual loan record in the Promissory Note Information area and can be updated. Who prints your MPN is related to the Print Indicator.

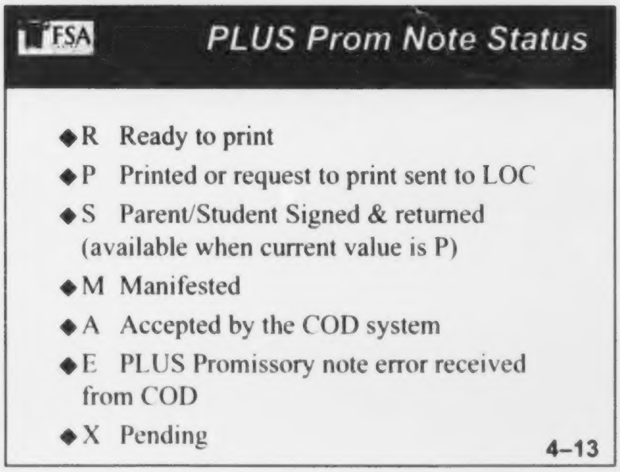
In this lesson we use the option O-Printed on-site (using EDExpress).

MPN Statuses

The MPN Statuses available in EDExpress for subsidized and unsubsidized loans are:

N	Not Ready to Print
R	Ready to print
P	Printed or request to print sent to LOC
S	Signed & returned (can be updated)
M	Manifested
A	Accepted in the COD system
X	MPN Pending
T	School assumes MPN Exists (can be updated)

***Note**: When you select to print an MPN, EDExpress once again determines if an MPN needs to be printed. To perform this task, EDExpress uses the same logic used during the origination process based on single-year and multi-year functionality. If it is determined that an MPN does not need to be printed, the MPN Status is updated to the appropriate status*



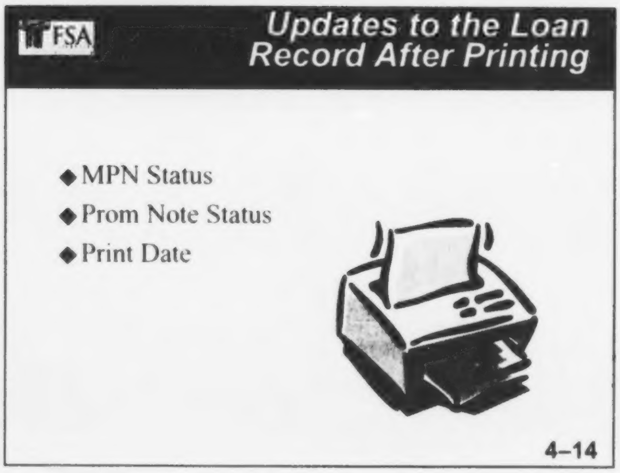
PLUS Prom Note Status

- R Ready to print
- P Printed or request to print sent to LOC
- S Parent/Student Signed & returned (available when current value is P)
- M Manifested
- A Accepted by the COD system
- E PLUS Promissory note error received from COD
- X Pending

4–13

PLUS Prom Note Statuses

PLUS Promissory Note Statuses are the same except excluding values N and T and the addition of the value E.



Updates to the Loan Record After Printing

- ◆ MPN Status
- ◆ Prom Note Status
- ◆ Print Date

4–14

Updates to the Loan Record After Printing

The fields that are updated when an MPN or a PLUS Promissory Note is printed are located in the Promissory Note area of the loan tab. They are:

MPN Status—This status is updated from a value of R (ready to print) to a value of P (printed). EDExpress updates the status of all loans for that student that should be associated with the same MPN based on the school's multi-year or single-year functionality, which was determined in the Direct Loan System Setup.

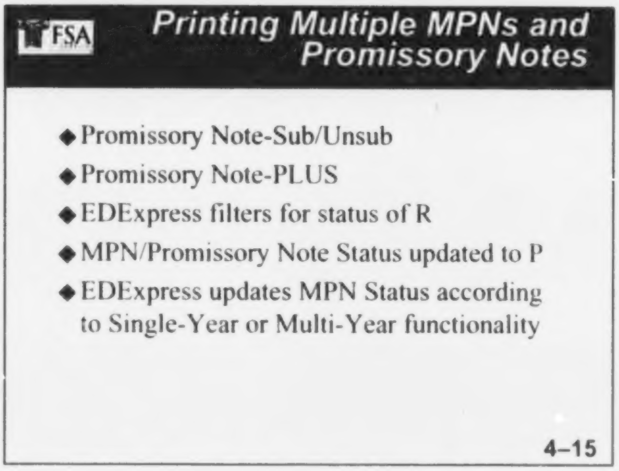
Prom Note Status (PLUS)—This status is also updated to a value of P (printed). The value of P may also be present if the school has selected the print option of having the LOC print the Promissory Note.

Print Date—EDExpress updates this field with the PC's system date when the MPN or PLUS Promissory Note is printed.

Printing Prom Notes (MPN and PLUS) at Record Level: Instructor Demonstration

Whether you are printing an MPN or a PLUS Promissory Note at the record level, the steps are the same. In the following demonstration, we show how to print the MPN for a student who has both a subsidized and unsubsidized loan. The school is processing MPNs using multi-year functionality.

Step	Action
1	Select **File/Open** from the menu bar.
2	Type the student's SSN in the field or click the **ellipsis (...)** button for a grid of all student records in the database. Highlight the student's record you would like to open.
3	**OR** In this example, type **377-94-0494**. Click **OK**.
4	Click the **Loans** tab. The first loan record for the student displays.
5	The record opens to loan 1 of 2, which is the Subsidized loan record. The Prom Note Status is currently R. Go to the second record (Unsubsidized loan) and view the MPN status.
6	Select **File/Print** from the menu bar. The Print dialog box is displayed.
7	The Report File Destination already has Printer selected. In this example, select **File**.
8	Click on the **File...** button. Type **pnnote** in the File Name field. Click **Open**.
9	Update any fields in the Options area, if needed. In this example, leave all fields as the default values.
10	Click **OK**. The Pop-up window displays: 1 promissory note(s) printed, 2 page(s) printed, and 1 loan linked. This means that 1 copy of the MPN was printed and both loans are linked to this MPN.
11	Click **OK**. The promissory note is printed to the file. The Loans tab is displayed again The two loans are now linked to the same MPN.
12	Notice that the MPN Status for both the Subsidized and Unsubsidized loans are now P.
13	Click the **Close** button on the tool bar to close the record.



FSA

Printing Multiple MPNs and Promissory Notes

- Promissory Note-Sub/Unsub
- Promissory Note-PLUS
- EDExpress filters for status of R
- MPN/Promissory Note Status updated to P
- EDExpress updates MPN Status according to Single-Year or Multi-Year functionality

4–15

Printing Multiple MPNs and PLUS Promissory Notes

Printing multiple MPNs and PLUS Promissory Notes is performed outside of the student record. To print MPNs for multiple subsidized and unsubsidized loans, select the report Promissory Note-Sub/Unsub. To print multiple PLUS Promissory notes, select the report Promissory Note-Plus.

Use Select Records

When printing multiple MPNs or PLUS Promissory Notes, EDExpress looks for loans that have an MPN Status or PLUS Prom Note Status of R. You can use the Select Records function or a query to filter the records further.

Updates to the Loan Record

After the MPNs or PLUS Promissory Notes have finished printing, EDExpress updates each loan record corresponding to the notes printed with an MPN Status or Promissory Note Status of P.

When printing MPNs, EDExpress updates the MPN Status of all loans associated with that MPN. To determine whether any other loans should be associated with that MPN, EDExpress uses Direct Loan System setup to determine if your school is processing MPNs using single-year or multi-year functionality. EDExpress uses the same process to associate other loans to an MPN when printing as it does when originating a loan.

For single-year processing, EDExpress determines the MPN Status by reviewing the MPN Status of other loans in EDExpress for the borrower with the same academic year start and end dates.

For multi-year processing, EDExpress determines the MPN Status by reviewing the MPN Status of other loans in EDExpress for the borrower and by reviewing the ISIR MPN Status if available.

☺ Tip: *You can develop a User Letter requesting the borrower to sign and return the Promissory Note. You can print PLUS labels to mail the letter and promissory note.*

Instructor Demonstration: Printing Multiple PLUS Promissory Notes

Step	Action
1	Select **File/Print** from the menu bar.
2	Click the **Direct Loan** tab if it is not already displayed.
3	Click the drop-down arrow in the Report field. Scroll down and highlight **Promissory Note—Plus**.
4	Select **Multiple**.
5	The Report File Destination already has Printer selected. In this example, select **File**.
6	Click on the **File...** button. Type **plpnotes** in the File Name field. Click **Open**.
7	Update any fields in the Options area, if needed. In this example, change the Sort Order. Click the drop-down arrow and highlight **Last Name**.
8	Click **OK**. A pop-up box will display the number of promissory notes and the number of pages printed
9	Click **OK**. The promissory notes are printed to the file. (If the promissory notes are printed to a printer, a dialog box shows the printer name.)

Lesson 1 Activity

Scenario

There is a student for whom you need to print an MPN.

Instructions

Print to file the MPN for the student with the following SSN:

377-40-8583.

Then open the student's record in EDExpress and answer the following questions.

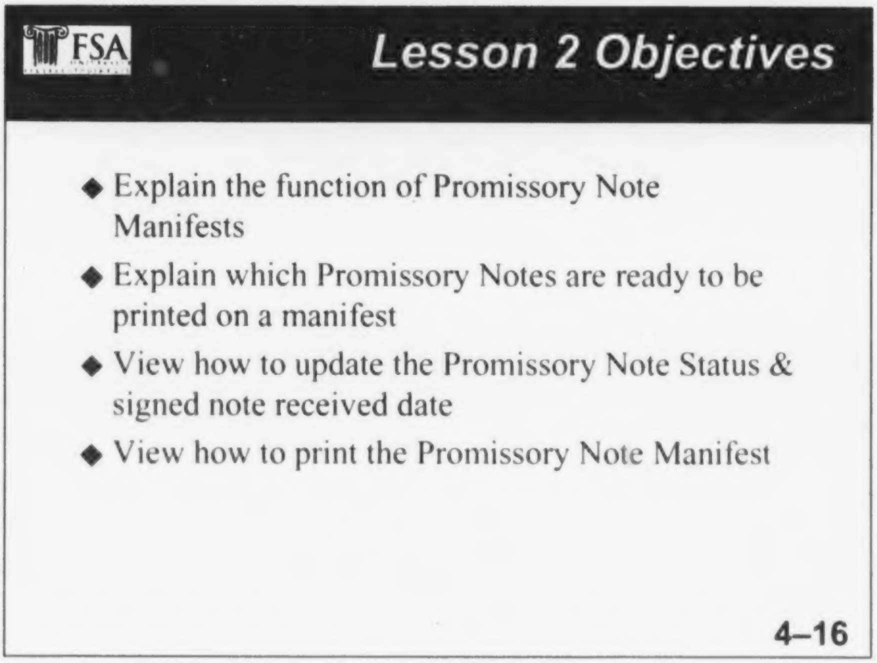
How many loans does the student have? ______________________________

What types of loans? ______________________________

What is the MPN Status after you printed? ______________________________

Session 4—Master Promissory Notes and PLUS Promissory Notes

Lesson 2: Creating a Promissory Note Manifest



Lesson 2 Objectives

- Explain the function of Promissory Note Manifests
- Explain which Promissory Notes are ready to be printed on a manifest
- View how to update the Promissory Note Status & signed note received date
- View how to print the Promissory Note Manifest

Key Terms

MPN ID

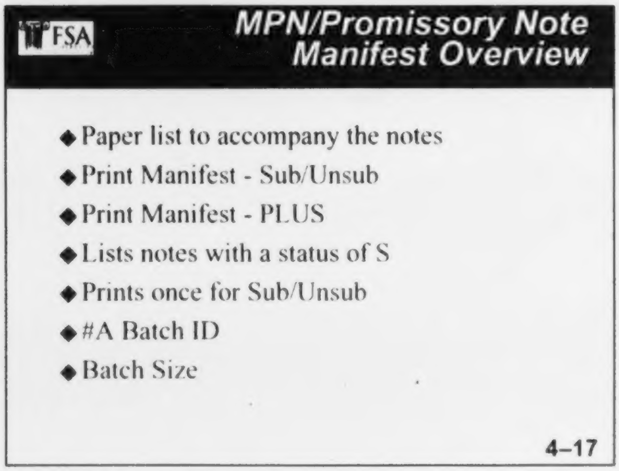
The MPN ID is generated by EDExpress and is the identification number printed on an MPN. The COD system uses the MPN ID to link loans to an MPN. For printed MPNs for 2000–2001 and forward, the format of the MPN ID is the same as the Loan ID except an "M" is used instead of "S" or "U" in the loan type code field.

Loan ID

The Loan ID is a 21-character identification number generated by EDExpress when a loan is created. The Loan ID contains the borrower's SSN, the loan type, year, Direct Loan School Code, and loan sequence number. (Refer to Session 3, Lesson 2 for more details.)

Promissory Note Manifest

The Promissory Note Manifest is a paper list of printed notes that must accompany the notes when they are mailed to the LOC.



FSA

MPN/Promissory Note Manifest Overview

- Paper list to accompany the notes
- Print Manifest - Sub/Unsub
- Print Manifest - PLUS
- Lists notes with a status of S
- Prints once for Sub/Unsub
- #A Batch ID
- Batch Size

4–17

MPN/Promissory Note Manifest Overview

The Promissory Note Manifest is a paper list of printed notes. The manifest must accompany the notes when sent to LOC. Use the print command to generate a manifest every time you mail notes to the LOC. For an MPN manifest, you select the report, Manifest—Sub/Unsub. Select Manifest—PLUS as the report for the PLUS Promissory Note manifest.

EDExpress lists all notes on a manifest with an MPN Status (subsidized/unsubsidized) or a Prom Note Status (PLUS) of S when printing the manifest.

An MPN Status of S equals Student signed and returned. A PLUS Promissory Note must be signed by both the parent borrower and the student. A Prom Note Status of S equals Parent/Student signed and returned.

The Select Records function in EDExpress gives you the ability to mark only certain Promissory Notes to be printed on a Manifest rather than listing all Promissory Notes at an S status. The Select Records grid only displays those Promissory Notes that have a status of S. You may also use a query to filter certain Promissory Records to be printed on a Manifest.

EDExpress treats printing of a manifest the same as exporting a batch of records so that you may track records associated with the manifest. The manifest is assigned a batch ID that begins with #A. The batch ID is tracked in the batch activity database and on each loan record that was included in the particular manifest batch.

Once the manifest has been printed, the MPN or Prom Note Status updates to M. The Manifest Date is also updated on each loan record. EDExpress uses the PC's system date to populate this field. There is a separate manifest for MPNs and for PLUS Promissory notes.

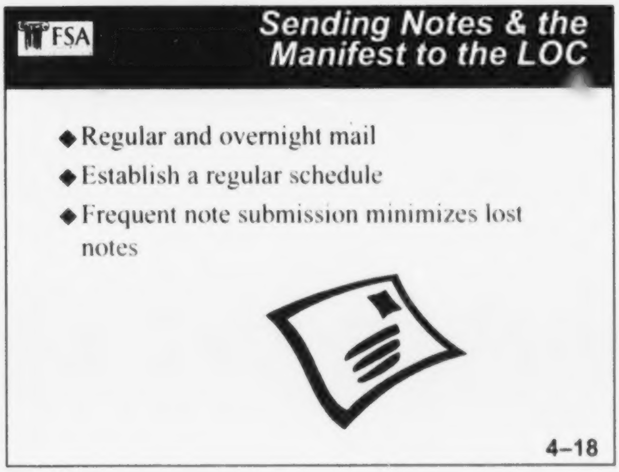
MPN/Promissory Note Manifest Overview (continued)

EDExpress generates manifest batches with no more than 100 records per manifest. This makes it easier to work with promissory notes and keep them in order for both you and the LOC. If you have more than 100 promissory notes recorded as signed, EDExpress generates multiple batches automatically. For example, if you have 200 promissory notes recorded in EDExpress as signed, two batches are generated. Each group of 100 records will have a unique Batch ID.

An MPN ID is generated by EDExpress and is the identification number printed on an MPN. The MPN ID is used by the COD system to link loans to an MPN. For printed MPNs for 2000–2001 and forward, the format of the MPN ID is the same as the Loan ID except an "M" is used instead of "S" or "U" in the loan type code field. The MPN ID is printed on the manifest.

Student's Social Security Number	MPN Indicator	Year	Direct Loan School Code	Loan Sequence Number
123456789	M	03	G01001	001

***Note**: The MPN ID prints once on the manifest for both subsidized and unsubsidized loans associated with the same MPN ID.*



FSA

Sending Notes & the Manifest to the LOC

- Regular and overnight mail
- Establish a regular schedule
- Frequent note submission minimizes lost notes

4-18

Sending Promissory Notes and the Shipping Manifest to the Loan Origination Center

All schools are required by regulations to submit the promissory note, loan origination record, and initial disbursement record no later than 30 days following the date of the initial disbursement.

Some schools print their own promissory notes and must send the signed promissory notes to the LOC. Borrowers attending schools that have LOC print and send the notes directly to the borrower send their notes to the LOC:

Regular Mail

U.S. Department of Education
P.O. Box 5692
Montgomery, AL 36103-5692

Overnight Mail

U.S. Department of Education
474 South Court Street, Suite 500
Montgomery, AL 36104

All schools are strongly encouraged to submit promissory notes as soon as possible following receipt of the note from the borrower.

Establishing a regular schedule for submitting promissory notes makes the reconciliation process (discussed in detail in Session 7) more manageable and efficient.

Schools are not required to keep a copy of the promissory note. However, they may want to do so until the note is accepted by the COD system.

For some schools, promissory notes are sent directly to the LOC by the borrower. Promissory notes have to be received and loan origination records accepted in the COD system prior to disbursement.

There are no specific school security requirements for Direct Loan promissory notes, but a school must safeguard all promissory notes in its possession. Schools should also be aware that frequent note submission to the LOC minimizes the possibility of lost notes and the potential for financial liability for the school.

Instructor Demonstration: Updating MPNs to S (Signed) Using Multiple Entry

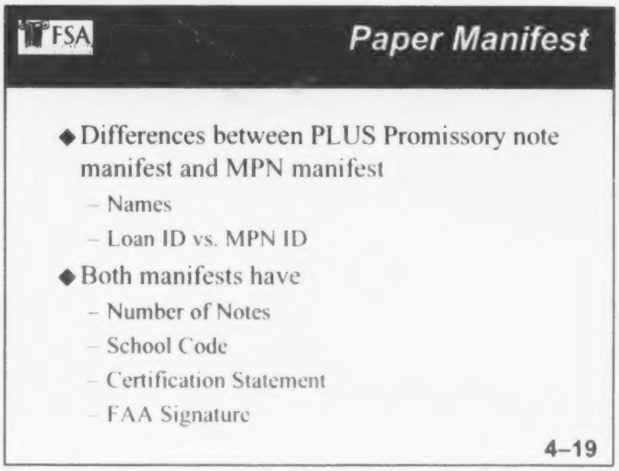
Step	Action
1	Select **Process/Multiple Entry/Direct Loan** from the menu bar.
2	Click the **MPN/Prom Note Status** and the **Date Signed Note Received** checkboxes.
3	Click the value field for MPN/Prom Note Status and select **S**.
4	Click **Screen** as the Report Destination.
5	Leave the Sort By: field as **Last Name**.
6	Click the **Selection Criteria** button.
7	Click the **Select Records** button.
8	Click the checkboxes next to: **329-29-2736** 1st record, **351-64-6223** 1st & 2nd record, **372-96-3213** 1st record Click **OK**.
9	The Field/Records Selection dialog box displays. Click **OK**.
10	The Direct Loan Multiple Entry dialog box displays. Click **Save.**
11	A dialog box displays Record updates pending, save changes? Click **Yes**.
12	A dialog box displays Are you sure you want to update the record(s)? Click **Yes**.
13	The Multiple Entry Edit Report will display. Click **Zoom In**.
14	Click **Close**.

***Note**: The steps for updating PLUS Prom Note Status to S are the same.*

Instructor Demonstration: Printing an MPN Manifest

Step	Action
1	Select **File/Print** from the menu bar.
2	Click the **Direct Loan** tab.
3	Click the drop-down arrow in the Report field. Scroll down and highlight **Manifest—Sub/Unsub**.
4	Select the option button for **Single** or **Multiple**. In this example, leave the selection as **Multiple**.
5	The Report File Destination already has **Printer** selected. In this example, select **File**.
6	Click on the **File…** button. Type **MPNMAN** in the File Name field. Click **Open**.
7	In the Options area of the print dialog box, the School Code field displays the Direct Loan Assumed School Code from the Direct Loan System Setup. Click the ellipsis (…) button to change to another school if needed. In this example, leave this field unchanged.
8	Click the drop-down arrow of the Sort Order field to display the three ways to sort the records on the manifest. In this example, select **Last Name**.
9	Select or deselect the field **Include Inactive Loans?** In this example, leave it unchecked.
10	Click **OK**. The promissory notes are printed to the file. (If the promissory notes are printed to a printer, a dialog box shows the printer name.)

***Note**: The steps for printing a PLUS Promissory Note Manifest are the same.*



FSA

Paper Manifest

- Differences between PLUS Promissory note manifest and MPN manifest
  - Names
  - Loan ID vs. MPN ID
- Both manifests have
  - Number of Notes
  - School Code
  - Certification Statement
  - FAA Signature

4–19

Paper Manifest

Although the PLUS Promissory Note manifest and the MPN manifest are similar, there are exceptions.

The PLUS Promissory Note manifest includes not only the students' names but also the parent borrowers' names. Another difference is that the PLUS Promissory Note manifest displays the Loan ID. The Loan ID is the 21-character identification number assigned to a created loan. The Loan ID contains the student's SSN, loan type, year, Direct Loan School Code, and loan sequence number. (Refer to Session 3, Lesson 2 for more details.)

The MPN manifest displays the MPN ID. Remember this MPN ID displays once for a student but may represent more than one loan, such as a subsidized and an unsubsidized loan. The MPN ID is generated by EDExpress and is the identification number printed on an MPN. The MPN ID is used by the COD system to link loans to an MPN. For printed MPNs for 2000–2001 and forward, the format of the MPN ID is the same as a Loan ID except an "M" is used instead of "S" or "U" in the loan type code field.

Both manifests include an area to enter the number of notes for shipping and an area for the authorized FAA's signature. Also the school code and certification statement are printed on both manifests.

***Note**: A sample Promissory Note Manifest is located in Appendix B.*

Lesson 2 Activity

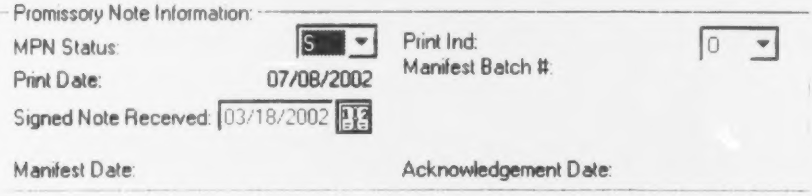
Scenario

A student brought a signed MPN to your office this morning and you do not have any other promissory notes to send to the LOC. You want to print this loan on a manifest to send to the LOC but you know it will not print on a manifest until the MPN status is S.

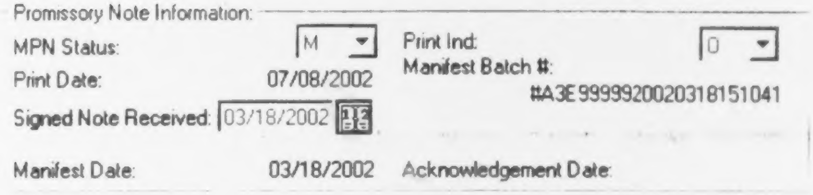
Instructions

Open the student's record and manually update the student's MPN Status to S, and close the record. Then print a manifest that displays just this student. Print the manifest to a file using the Select Records function in EDExpress.

Student's Social Security Number: **372-03-6353**



Promissory Note Information:
MPN Status: S
Print Ind: 0
Print Date: 07/08/2002
Manifest Batch #:
Signed Note Received: 03/18/2002
Manifest Date:
Acknowledgement Date:

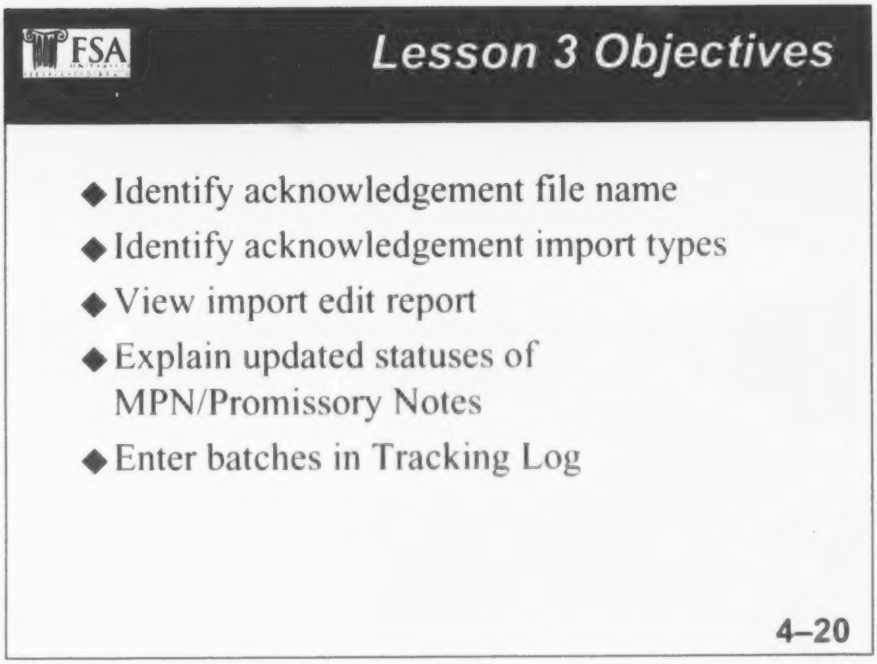


Promissory Note Information:
MPN Status: M
Print Ind: 0
Print Date: 07/08/2002
Manifest Batch #: #A3E9999920020318151041
Signed Note Received: 03/18/2002
Manifest Date: 03/18/2002
Acknowledgement Date:

BEST COPY AVAILABLE

Session 4—Master Promissory Notes and PLUS Promissory Notes

Lesson 3: MPN/ PLUS Promissory Note Acknowledgements



Lesson 3 Objectives

- Identify acknowledgement file name
- Identify acknowledgement import types
- View import edit report
- Explain updated statuses of MPN/Promissory Notes
- Enter batches in Tracking Log

4–20

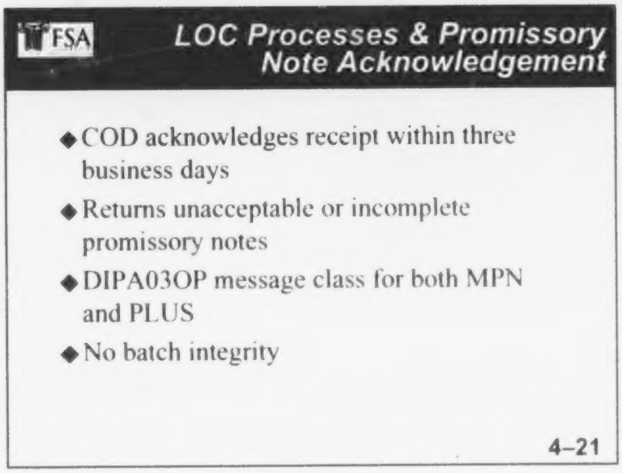
Key Terms

Promissory Note Acknowledgement

The Promissory Note Acknowledgement is the file returned to a school confirming the status of an MPN or PLUS Promissory Note in the COD system.

Unacceptable or Incomplete Promissory Note

An Unacceptable or Incomplete Promissory Note is a note that requires further action by the school or the borrower. This may mean obtaining a signature by the borrower or student. Once corrected, the promissory note is returned to the LOC.



FSA

LOC Processes & Promissory Note Acknowledgement

- COD acknowledges receipt within three business days
- Returns unacceptable or incomplete promissory notes
- DIPA03OP message class for both MPN and PLUS
- No batch integrity

4–21

COD Processes and Promissory Note Acknowledgement

The COD system acknowledges receipt of a note within three business days. The COD system's acceptance of the note means that ED has taken responsibility for it and the school's liability for the note ends. To accept the note, the COD system must have the origination record in order to compare the data and make sure it matches. The MPN is kept on file for 12 months after the date it is received by the LOC if no loan origination record has been linked to it.

The Promissory Note Acknowledgement is sent electronically to the school in the message class or filename, DIPA03OP. The message class is the same for both MPN Acknowledgements and PLUS Acknowledgements.

Rejected Promissory Notes

The LOC informs the school of an unacceptable or incomplete promissory note by returning the hard copy with an attached cover letter within three business days of verifying receipt. A copy of the cover letter can be found in Appendix D of the *Direct Loan Technical Reference*.

If the school cannot correct the problem, the school contacts the borrower for resolution.

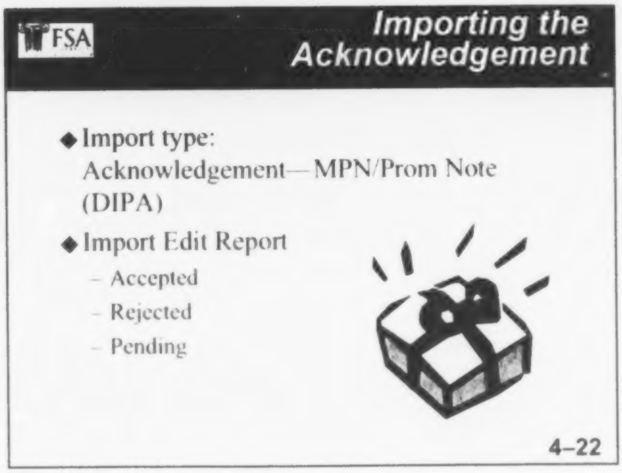
If both the subsidized and unsubsidized loan origination records are accepted by the COD system at the time the MPN is processed, both loans are acknowledged on the Promissory Note Acknowledgement.

If one of the Loan Origination Records is accepted by the COD system at the time the MPN is processed, only the accepted loan is acknowledged on the Promissory Note Acknowledgement. If the COD system subsequently accepts a second loan type, the subsequent Loan Origination Acknowledgement informs the school that an accepted MPN is on file and a Promissory Note Acknowledgement is sent.

Batch Integrity

There is no batch integrity in Promissory Note Acknowledgements. This means that you may send a manifest batched with 50 notes but you may receive an acknowledgement with only 40 notes. The remaining ten notes may be acknowledged in subsequent batches and/or the school may receive rejected/incomplete promissory notes in the mail, requiring corrective action. For this reason, you should track the individual MPN and PLUS Promissory Note Acknowledgements to be sure that you have received all acknowledgements for all notes you sent to the LOC.

Promissory note acknowledgements do not contain the Batch ID from the paper manifest on which they are printed. COD generates the Batch IDs that are in promissory note acknowledgements. However, since there is no batch integrity with promissory note acknowledgements, you can import these files into EDExpress.



FSA

Importing the Acknowledgement

- Import type: Acknowledgement—MPN/Prom Note (DIPA)
- Import Edit Report
  - Accepted
  - Rejected
  - Pending

4–22

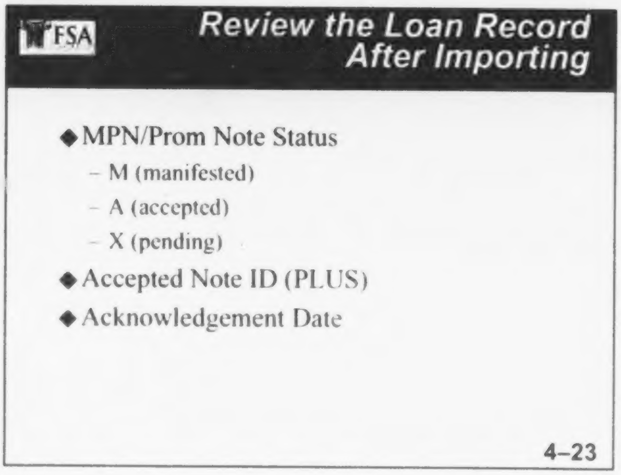
Importing the MPN/PLUS Promissory Note Acknowledgement

Since both the MPN acknowledgements and the PLUS promissory note acknowledgements are received in the same message class (DIPA03OP), the process for importing the acknowledgement is the same.

The import type used for the MPN/PLUS promissory note acknowledgements is Acknowledgement—MPN/Prom Note (DIPA).

The import edit report is printed after the import is complete. This edit report gives you information about promissory notes that are accepted, rejected, or pending. If the note is rejected or pending the edit report gives reason code(s). It also provides information about the number of promissory notes in the batch.

***Note**: A sample Promissory Note Acknowledgement Import Edit Report is located in Appendix B.*



Review the Loan Record After Importing

- MPN/Prom Note Status
  - M (manifested)
  - A (accepted)
  - X (pending)
- Accepted Note ID (PLUS)
- Acknowledgement Date

4–23

Review the Loan Record After Importing MPN/PLUS Promissory Note Acknowledgements

The updates you see after importing the MPN/PLUS Promissory Note acknowledgement are found in the Promissory Note Information area of the loan tab. Updated fields are:

MPN Status (Subsidized/Unsubsidized) or Prom Note Status (PLUS)

The status changes from an M (manifested) to a value of A (accepted) if the MPN or PLUS Promissory Note was accepted by the COD system.

The value may be updated from an M to an X (pending). If the MPN is pending, it means that the MPN is accepted by the COD system but there are no subsidized or unsubsidized origination records accepted at the COD system that are linked to that MPN.

If the PLUS promissory note is pending, it means that the promissory note is accepted by the COD system but there is no PLUS origination record accepted at the COD system that corresponds to that promissory note.

Once a loan origination record is associated to the pending MPN or PLUS Promissory Note, the status is updated to A (accepted). Since an MPN can have a subsidized and an unsubsidized loan attached to it, when the MPN is accepted for one of the loans it automatically updates the MPN status of the other loan to a status of A as well.

Accepted Note ID (PLUS)—The PLUS Promissory Note ID is displayed.

Acknowledgement Date—This is the date the COD system accepted the promissory note.

Instructor Demonstration: Importing a Promissory Note Acknowledgement:

Step	Action
1	Select **File/Import** from the menu bar.
2	Click the **Direct Loan** tab.
3	Select the Import Type: **Acknowledgement—MPN/Prom Note.**
4	Click the **File** button to locate the import file.
5	Select the desired file (**DIPA03OP.003**) and click **Open**.
6	The Report File Destination already has Printer selected. In this example, select **Screen**.
7	Click **OK**. Click **OK** at the In Progress dialog box
8	Review the Import Edit report.
9	Click the **Close Window** button on the tool bar to close the window.
10	Open the record for **418-13-0420** and click the **Loans** tab.
11	Select the **Subsidized** loan. Review the updates to the Promissory Note Information fields.
12	Click the **Close** button on the toolbar.

Lesson 3 Activity 1

It is very important to track individual batches sent to the COD system and the acknowledgements of those batches received from the COD system. You may want to track batches using a processing log, which not only tracks batches in EDExpress, but also tracks the batches in EDconnect. This processing log would include the type of data sent, the date it is sent, and when that data is acknowledged.

Below is part of a tracking log.

Scenario

You printed a manifest and mailed it to the LOC. EDExpress generated a manifest Batch ID and printed it on the Manifest.

Based on the information in this sample processing log, answer the questions below.

EDExpress	Edconn32	EDExpress
Batch ID Export File Name (Message Class) Date	File Transmitted (Initials) Date Sent Received File Name (Message Class) Date Rec'd	File Imported (Initials) Date Imported
#A3G01001200203231120 47 ______________ 3-23-2003	______________ ______________ DIPA03OP.DAT 3-28-2003	DIPA03OP.DAT 3-28-2003

Why isn't there an Export File Name listed for this batch?

____

Why didn't we transmit a file for this batch?

____

Do all of the acknowledgements for each record in the manifest batch have to come back together in the same DIPA03OP file?

____

Lesson 3 Activity 2

Scenario

You have retrieved a promissory note acknowledgement batch from the SAIG and now need to import the file into EDExpress.

Import the file **DIPA03OP.003** into EDExpress. Send the Import Edit report to the screen and write down the borrowers' SSNs.

____

____

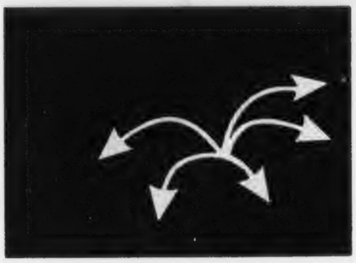
____

____

____

Open one of the records and review the updates to the Promissory Note Information fields.

Which fields were updated during the import? ____



Session 5: Actual Disbursements

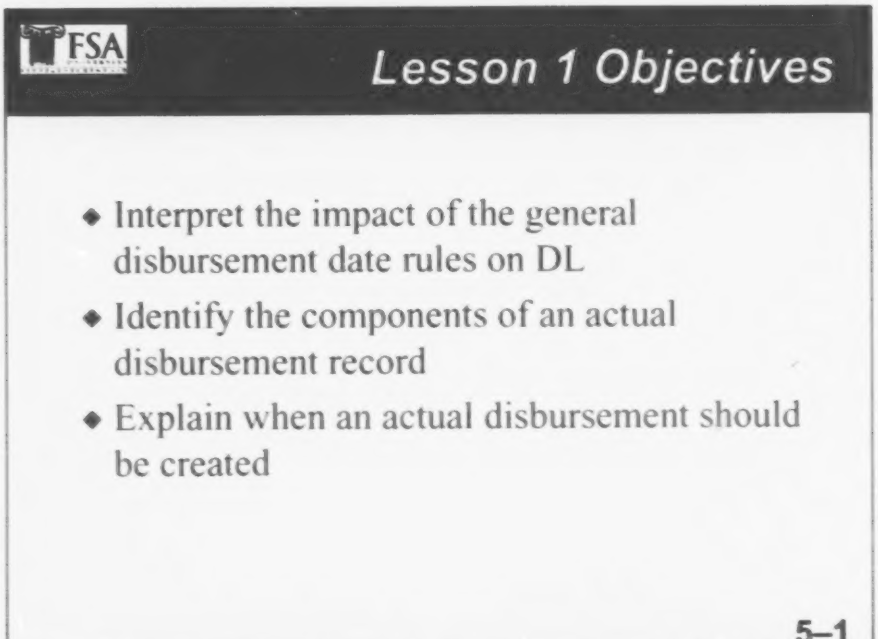
Lesson 1—Creating an Actual Disbursement Record

Lesson 2—Exporting and Importing Actual Disbursement Records

Lesson 3—Booking a Direct Loan

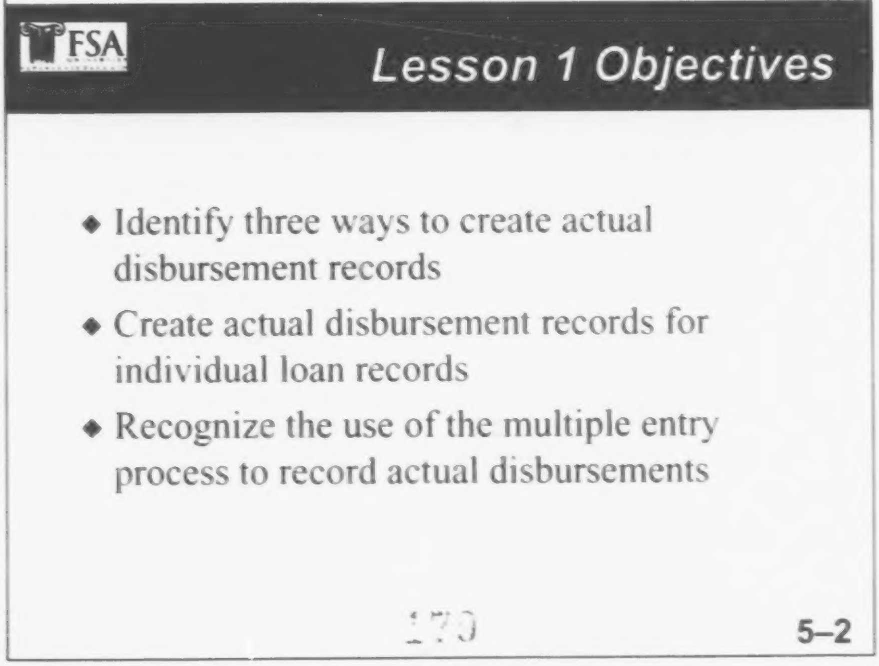
Session 5—Actual Disbursements

Lesson 1: Creating an Actual Disbursement Record



Lesson 1 Objectives

- Interpret the impact of the general disbursement date rules on DL
- Identify the components of an actual disbursement record
- Explain when an actual disbursement should be created



Lesson 1 Objectives

- Identify three ways to create actual disbursement records
- Create actual disbursement records for individual loan records
- Recognize the use of the multiple entry process to record actual disbursements

Key Terms

Actual Disbursement

An actual disbursement occurs when a school credits Direct Loan funds to a borrower's account or pays Direct Loan funds directly to the borrower. In EDExpress, these are recorded on the Disbursement tab.

Advance Pay

Under the Advance Pay funding method, schools request cash through GAPS for estimated disbursements to students/borrowers within three (3) business days. In addition, schools may only draw down cash up to the difference between the school's Current Funding Level (CFL) and the amount of funds previously sent to the school for a given award year and program. The U.S. Treasury transmits funds to the school's bank.

Excess Cash

Any amount of Title IV program funds (other than FFEL Program or Federal Perkins Loan Program funds) that a school does not disburse according to regulations.

Gross Disbursement Amount

The disbursement amount before the deduction of the loan fee and application of the Interest Rebate. This is the amount the borrower is obligated to pay back to the Department of Education.

Interest Rebate Amount

The dollar amount of the 1.5 % up-front interest rebate.

Loan Fee

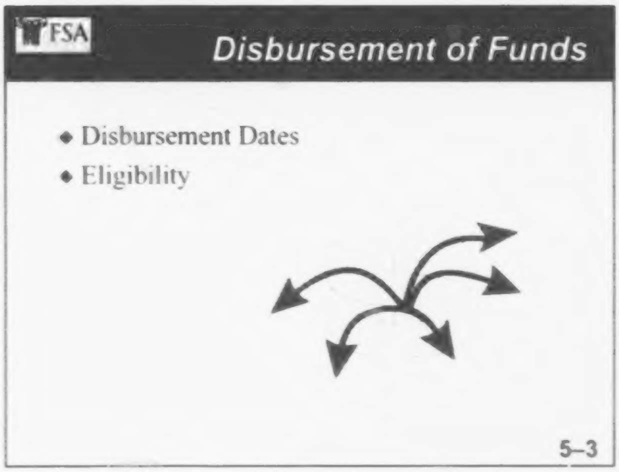
A Loan Fee is used to help defray the costs of the Direct Loan Program. Typically, it is deducted from the gross disbursement amount prior to release of funds to the borrower.

Net Disbursement Amount

The actual amount disbursed to a borrower after the loan fee has been deducted from the gross disbursement amount and the interest rebate amount has been applied.

Pushed Cash

Under the Pushed Cash funding method, a school has cash deposited in its bank account based on actual disbursements that are submitted and accepted by the COD System and the CFL calculation.



FSA

Disbursement of Funds

- Disbursement Dates
- Eligibility

5–3

Disbursement of Funds to Borrowers

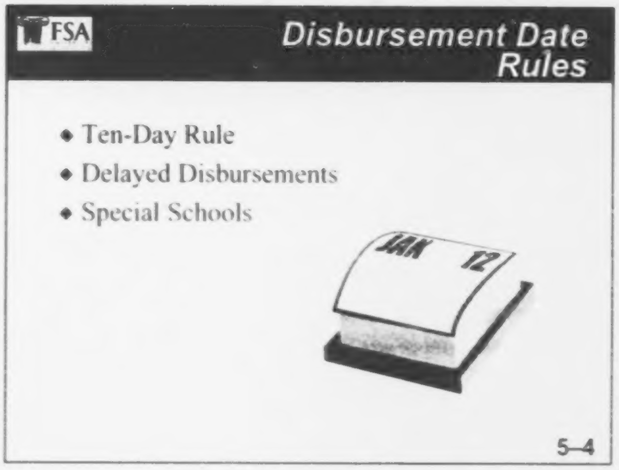
Schools disburse Direct Loan funds in the same manner funds are delivered under the FFEL Program. The difference is that in the Direct Loan Program, the school controls—within the limits of the regulations—when the student receives the funds, just as the school does under the Federal Pell Grant and federal campus-based programs.

To disburse funds, the school:

- Must obtain a signed, complete promissory note from the borrower.
- Establishes disbursement dates, taking into account the requirements concerning the number, amount, and timing of the disbursements.
- Checks that a student is eligible for the loan.
- May, without obtaining a student's or parent's authorization, use Direct Loan funds to credit a student's account to satisfy current charges for tuition/fees and room and board.
- Must first credit the student's account to pay for outstanding current and authorized charges if it disburses Direct Loan funds by crediting a student's account. (See CFR 668.164 (d)(3).)
- Pays any credit balance remaining on the student's account directly to the student or parent, or holds these funds for the borrower.

Note: *Unless the borrower provides written authorization allowing the school to hold funds, a credit balance on the student's account must be paid directly to the student or parent no later than 14 days after:*

1) *The date the balance occurs (if the balance occurs after the first day of class of a payment period), or,*
2) *The first day of classes of a payment period (if the credit balance occurs on or before the first day of class of that payment period).*



FSA

Disbursement Date Rules

- Ten-Day Rule
- Delayed Disbursements
- Special Schools

5–4

General Disbursement Date Rules

The disbursement date for a Direct Loan disbursement is the date a school either credits the student's account or makes the funds available to the student or parent.

Ten Days

The earliest date that a school may report as a Direct Loan disbursement date is ten days before the first day of classes of a payment period. A school can credit a student's account with institutional funds earlier than ten days before the first day of classes of a payment period. However, a school may not report a disbursement date to the COD system that is earlier than ten days before the first day of classes of a payment period. In this situation, the date reported as the disbursement date must be the tenth day before the first day of classes of a payment period.

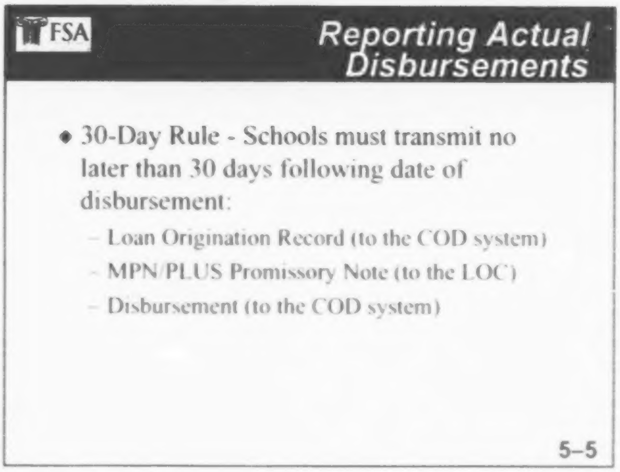
Delayed Disbursements

Additionally, for a first-year, first-time borrower, the earliest that a school may make the first disbursement of a Direct Loan is the 30th day after the first day of the student's program of study. While a school may credit a first-time, first-year borrower's account prior to the 30th day after the first day of the program of study, that disbursement may not be made until the 30th day after the first day of the program of study. (See Special Schools below for a limited exception to the delayed disbursement requirement.)

Special Schools

If your school is indicated as a special school in DL Setup, you may disburse a loan in one disbursement if the loan period is not more than one quarter, one semester, one trimester, or four months. To perform any of these actions in EDExpress, you must set the "Are You a Special School?" flag in the Direct Loan setup. Schools with cohort rates of less than 10 percent for each of the three most recent fiscal years are also exempt from the 30-day delayed delivery of disbursements for first-time, first-year borrowers.

Note: This provision of the Higher Education Act expires September 30, 2002, unless Congress extends the expiration date. (See Session 3, Lesson 1 for requirements to be considered a Special School.)



FSA

Reporting Actual Disbursements

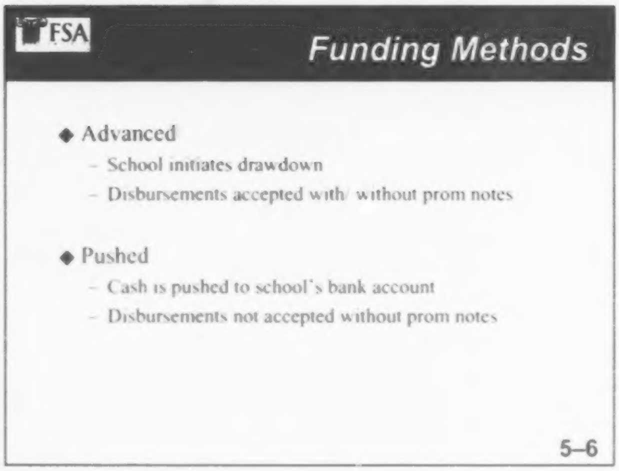
- 30-Day Rule - Schools must transmit no later than 30 days following date of disbursement:
    - Loan Origination Record (to the COD system)
    - MPN/PLUS Promissory Note (to the LOC)
    - Disbursement (to the COD system)

5–5

Reporting Actual Disbursements

After disbursing funds, Advance Payment schools must report the required information on actual disbursements to the COD system. Section 685.301(d) of the Direct Loan Regulations requires that a school submit the promissory note to the LOC, and the loan origination and initial disbursement record to the COD system no later than 30 days following the date of disbursement. Subsequent disbursements and adjustments must also be reported within 30 days of the date of the actual disbursement or adjustment.

To report an actual disbursement, the school must enter the date of the disbursement and the amount disbursed in the loan record, and transmit the disbursement information to the COD system.



FSA

Funding Methods

- Advanced
  - School initiates drawdown
  - Disbursements accepted with/ without prom notes
- Pushed
  - Cash is pushed to school's bank account
  - Disbursements not accepted without prom notes

5–6

Funding Methods

Disbursement procedures will vary based on your school's Direct Loan funding method. These factors will determine when you submit disbursement records and if you need to have accepted promissory notes for your disbursements to be accepted. The procedures for each funding method are described below.

Advanced

With the Advanced funding method you submit disbursement record up to 7 days in advance of the actual disbursement date. Actual disbursements can be accepted with or without accepted promissory notes. Advance pay schools draw down funds through GAPS and must report disbursements to substantiate those funds within 30 days.

Pushed

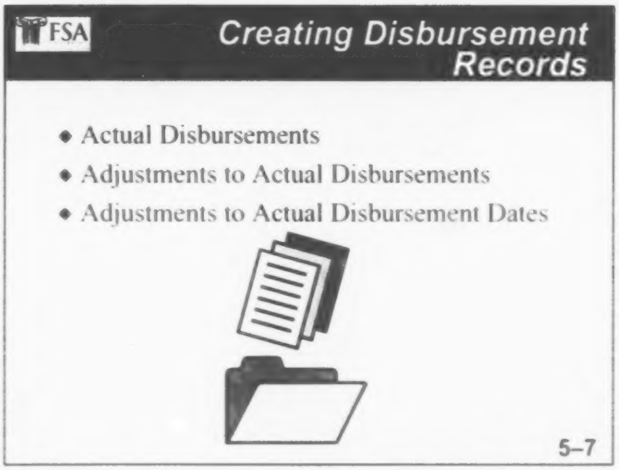
Schools receiving funds via the Pushed Cash funding method must have accepted promissory notes by the COD system before actual disbursements will be accepted.

Prior to the anticipated disbursement date, the school will receive the **Pending Disbursement List** report (formerly the Anticipated Disbursement Listing) to determine estimated disbursements and disbursement dates on file on the COD system.

The school then submits the actual disbursement records to the COD system.

The COD system forwards the **Funded Disbursement List** report (formerly the Actual Disbursement Roster) which indicates all disbursements that have been funded.

The direct cash payment is then pushed or sent to the school's bank account based on the accepted actual disbursements.



Creating Disbursement Records

- Actual Disbursements
- Adjustments to Actual Disbursements
- Adjustments to Actual Disbursement Dates

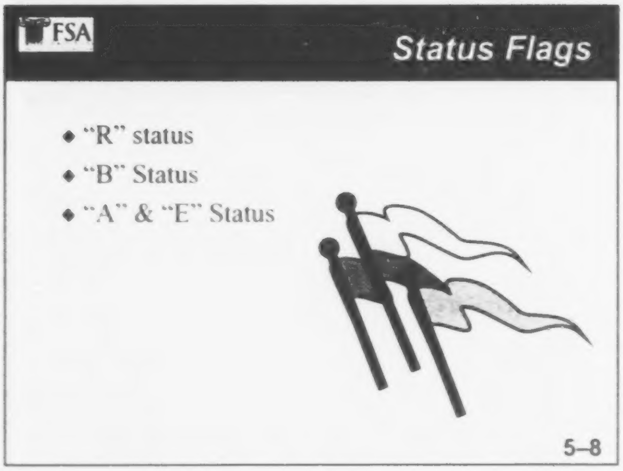
5–7

Creating Disbursement Records

You must record actual disbursement dates and amounts in EDExpress. This generates disbursement records that must be exported to the COD system in accordance with federal regulations.

There are three types of disbursement records:

- Actual Disbursements—You may enter the gross or net disbursement into EDExpress. This transaction will always be the first disbursement record for the disbursement number.
- Adjustments to Actual Disbursement Amounts—You may decrease or increase the actual disbursement or a previous adjustment. This includes adjustments to zero.
- Adjustments to Actual Disbursement Dates—You can modify the date of any disbursement already recorded.



FSA

Status Flags

- "R" status
- "B" Status
- "A" & "E" Status

5–8

Status Flags

When you save a record with a new actual disbursement, adjustment to an actual disbursement amount, or adjustment to the disbursement date, the following actions take place in EDExpress:

- The disbursement data is added to the disbursement database. This includes the disbursement type, date, and amount.
- The transaction is assigned a disbursement status flag that is initially set to R (the record is ready to export to the COD system).

When the actual disbursement record is exported:

- The status flag changes to B (batched). The export process assigns a batch ID to the record.

When the corresponding disbursement acknowledgement is imported:

- The status flag is updated to A (accepted) or E (error/rejected).

Each transaction (actual disbursement, adjustment to an actual disbursement amount or date) is maintained separately and has its own disbursement status flag in the disbursement database.

For example, if you record a first actual disbursement and decide later to adjust the first disbursement, you create two disbursement transactions in the disbursement database, each with its own disbursement status. The first actual disbursement status would possibly be a "B" or "A" and the adjustment to the first disbursement would be "R."

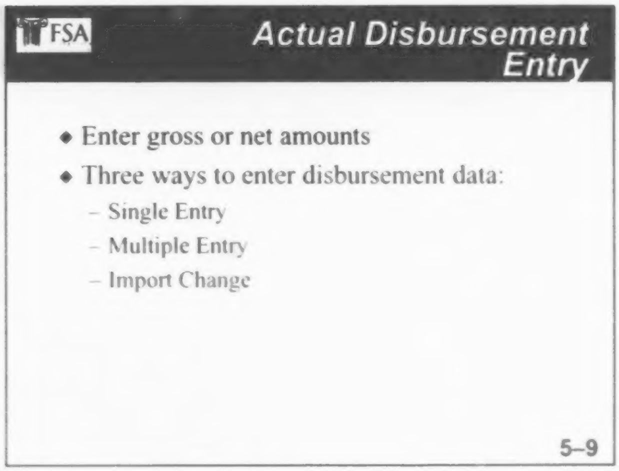
N = Not ready to send

R = Ready to send

B = Batched

A = Accepted

E = Error (rejected)



FSA

Actual Disbursement Entry

- Enter gross or net amounts
- Three ways to enter disbursement data:
  - Single Entry
  - Multiple Entry
  - Import Change

5–9

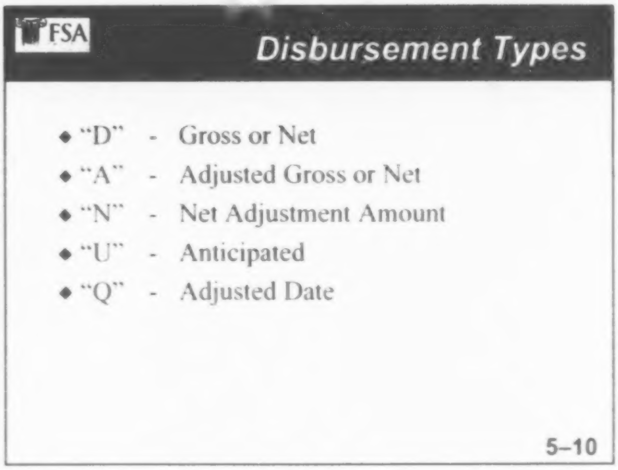
Actual Disbursement Entry

You can enter gross or net amounts into EDExpress based on your choice at DL Setup. You must use either the gross or the net amount consistently as the basis for your actual disbursement transactions. This reduces the possibility for confusion and rounding errors.

You can enter disbursement data into EDExpress using:

- Single Entry—Open an individual loan record and enter the disbursement number, disbursement type, disbursement date, and disbursement amount in the Actual Disbursement panel.
- Multiple Entry—You can select the records to which you want to add disbursement information in a group through the multiple entry window.
- Import Change—Create your own ASCII file, following the Import Change record layout, include disbursement data and import the file into EDExpress. (See the *Direct Loan Technical Reference* for more details.)

☺ **Tip:** *Access the Direct Loan Technical Reference from the sfadownload web site under the Reference and Documentation page.*



FSA

Disbursement Types

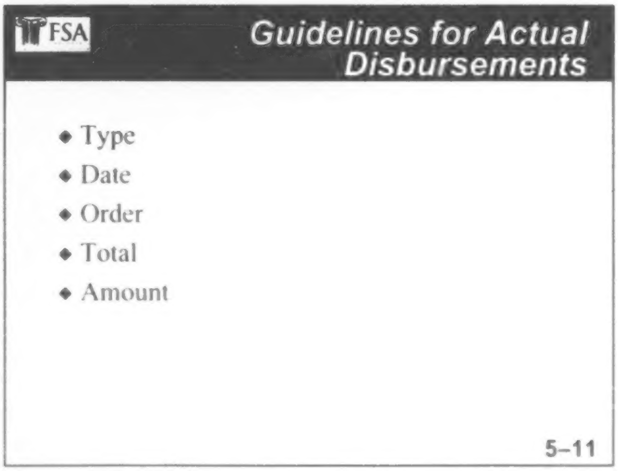
- "D" - Gross or Net
- "A" - Adjusted Gross or Net
- "N" - Net Adjustment Amount
- "U" - Anticipated
- "Q" - Adjusted Date

5–10

Disbursement Types

In addition to entering the amount of the disbursement, the disbursement number and the date, you must enter the Type field. This tells EDExpress specifically what the amount represents.

Gross Amount (D)	The amount including the loan fee.
Net Amount (D)	The amount after the loan fee and interest rebate amount have been calculated.
Adjusted Gross Amount (A)	The new gross amount after the adjustment has been applied.
Adjusted Net Amount (A)	The new net amount after the adjustment has been applied.
Net Adjustment Amount (N)	The net amount that the disbursement is being adjusted by.
Use Anticipated Information (U)	Indicates you want EDExpress to apply the amounts that appear in the anticipated disbursement field. This is saved to the database as a D type action.
Adjusted Disbursement Date (Q)	The date is the new disbursement date for the associated disbursement.



FSA

Guidelines for Actual Disbursements

- Type
- Date
- Order
- Total
- Amount

5–11

Guidelines for Actual Disbursements

Type—The first action type for any disbursement number must be a gross or net "D" disbursement. (You may also use "U" for use Anticipated Disbursement Information; upon saving the transaction EDExpress converts the "U" to a "D".)

Date—The actual disbursement date may not be more than ten days before the first day of classes of a payment period. The actual disbursement date must comply with Cash Management regulations. You may enter a disbursement date up to 7 calendar days in advance of the disbursement date.

Order—You may not record a second, third, or fourth disbursement if no action is taken on disbursement number one. However, if the first disbursement recorded has been accepted by the COD system, any subsequent disbursement may be designated as the first disbursement, as long as the date is earlier than any other disbursement for this loan.

Once disbursement number one is accepted by the COD system, subsequent disbursements do not have to be processed in sequential or chronological order; however, subsequent disbursements cannot have a date prior to the date of disbursement number one.

Total—You can process up to 20 disbursements for a subsidized/unsubsidized loan and four disbursements for a PLUS loan.

Amount—The sum of all disbursement amounts may not be greater than the loan amount approved.

Instructor Demonstration: Entering a Single Disbursement

In this demonstration we create an actual disbursement for an individual loan record.

Step	Action
1	Click the **Open** icon on the menu bar. Enter **280-79-0851 (Darryl Hugley)**. Click **OK**.
2	Click the **Disburse** tab. Click the **Next Record** button to access the subsidized loan (record 2 of 3).
3	Under the Action field, select **Disbursement 1**.
4	Under the Action Type field, select **U**.
5	Click **Add**. A row for the disbursement has been added to the Actual Disbursement table.
6	Click the **Save** button on the toolbar.
7	Click the **Close** button on the toolbar when you are finished reviewing the record.

Instructor Demonstration: Create Actual Disbursements Using Multiple Entry

The Multiple Entry function updates actual disbursements for a group of records at one time. In this demonstration, we add disbursements for records that have an accepted promissory note.

Step	Action
1	Select **Process/Multiple Entry/Direct Loan** from the main menu bar.
2	Click the **Disbursement Number** checkbox.
3	Click the value field and select **disbursement number 1** and **disbursement type U** to use the anticipated disbursement amounts.
4	Click **Screen**.
5	Click **Selection Criteria**. Click **Select Records**.
6	Scroll down the list. Mark the checkbox next to each of the following loan records: • **PLUS** loan for **296-78-8980 (Willy Groundskeeper)** • **Unsubsidized** loan for **307-00-1970 (Marcus Welby)** • **PLUS** loan for **324-03-2483 (Kate Austin)**
7	Click **OK**.
8	The Direct Loan Multiple Entry—Field/Records Selection window redisplays. Click **OK**.
9	Records that match the selection criteria will be displayed. Review the records to be updated. Click **Save.**
10	Click **Yes** to save the updates.
11	Click **Yes** to confirm the updates.
12	Click **Close** when you are finished viewing the report.

Lesson 1 Activity #1

Short Answer:

1. List the three types of disbursement records.

2. What are the three ways to record an actual disbursement in EDExpress?

3. How many disbursements can be processed for a subsidized/unsubsidized loan? On a PLUS loan?

4. Can a second, third, or fourth disbursement be recorded if no action has been taken on disbursement number 1?

Matching:

Match the following disbursement types to the appropriate description:

Adjusted Disbursement Date (Q)-______

Adjusted Net Amount (A)-______

Gross Amount (D)-______

Use Anticipated Information (U)-______

Adjusted Gross Amount (A)-______

Net Amount (D)-______

1. The new gross amount after the adjustment is applied.
2. The amount including the loan fee.
3. The date is the new disbursement date for the associated disbursement.
4. The new net amount after the adjustment has been applied.
5. The amount not including the loan fee.
6. Indicates that you want EDExpress to apply the amounts that appear in the anticipated disbursement field. This is saved to the database as a D type action taken.

Lesson 1 Activity #2

TRUE or FALSE

____ In order to disburse funds a school must have a signed, complete promissory note from the borrower.

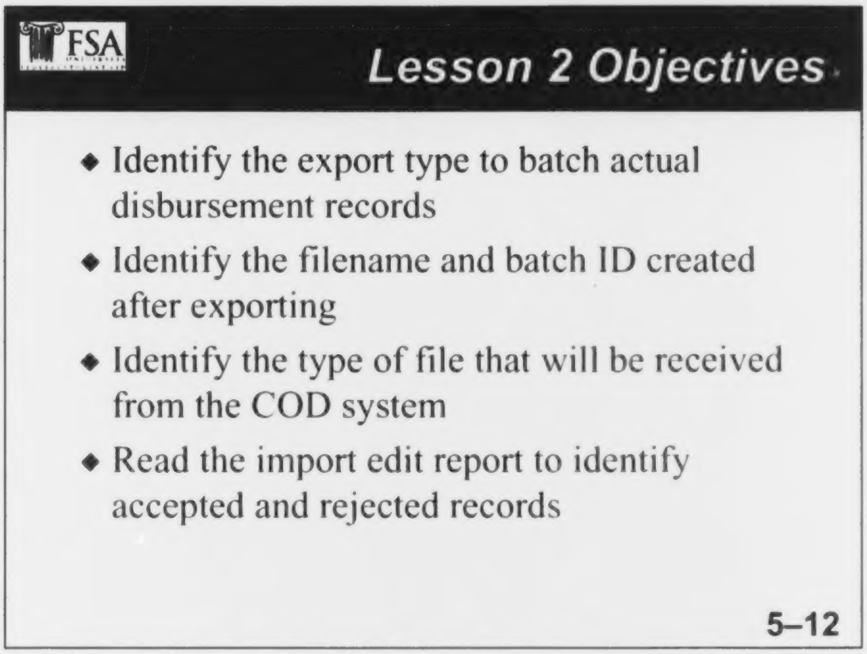
____ Schools do not have to verify that a student maintains eligibility for the loan.

____ When a school credits Direct Loan funds to a student account, the school must notify the student or parent of the date and amount of the disbursement.

____ The earliest date that a school may report as a disbursement date is ten days before the first day of classes of a payment period.

____ The provision of the Higher Education Act that, based on default rate, exempts certain schools from the delayed disbursement requirement expires September 30, 2002, unless Congress acts to extend it.

Lesson 2: Exporting and Importing Actual Disbursement Records



Lesson 2 Objectives

- Identify the export type to batch actual disbursement records
- Identify the filename and batch ID created after exporting
- Identify the type of file that will be received from the COD system
- Read the import edit report to identify accepted and rejected records

Key Terms

Batch of Records

A batch is a group of records assembled into one file for processing. Each batch contains a header record, detail record, and trailer record. Batches are assigned a unique ID.

Batch Activity Database

A database in which EDExpress records an entry every time you export or import data.

Batch ID

This number is generated by EDExpress when a school batches a group of origination, change, or disbursement records or by the COD system when a group of promissory notes are acknowledged. The batch ID is unique to that batch.

Disbursement Acknowledgement

A notification sent to schools by the COD system indicating whether disbursement records you have transmitted have been accepted or rejected. Each record includes a flag indicating acceptance or rejection and, if rejected, why it was rejected. An edit report details the loan ID, disbursement number, disbursement date, disbursement type (D, A or Q) and edit/reject code.

Export

The export function in EDExpress creates a batch of data records that are ready to be used in EDconnect, used in a system outside EDExpress, or transmitted to a data processing service.

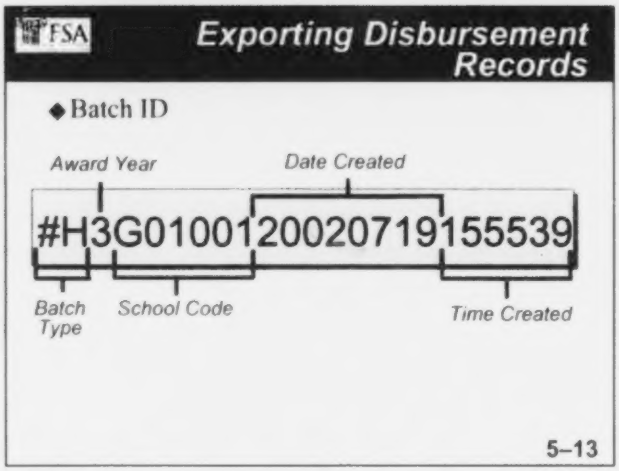
Filename

The filename is used by a program to identify a file. Some filenames are followed by an extension separated by a period. The extension often identifies the type of information contained in the file. Common extensions include .EXE (program file), .HLP (help file), and .DAT (data file).

Import

The Import function in EDExpress can be used to:

- Create or update records from data in another module within EDExpress, from another system such as a mainframe, or from another software product;
- Update records with data received in acknowledgements received from the COD system; or
- Print reports received in an electronic file from the COD system.



Exporting Disbursement Records

◆ Batch ID

Award Year
Date Created
#H3G01001200207191555539
Batch Type
School Code
Time Created
5–13

Exporting Disbursement Records

Once you have entered actual disbursement records, you must export the data and send the file to the COD system. Similar to the export origination process, EDExpress includes all actual disbursement records with a Ready (R) status. It will also include all actual disbursement records with an Error (E) status.

Batch ID

The file that results from the export is assigned an identification number, called a Batch ID, which is tracked in the Batch Activity database. For Disbursement batches, the Batch ID begins with #H and will include:

- Batch Type (#H)
- Award Year (3)
- School Code (G01001)
- Date Created (20020719)
- Time Created (155539)

#H 3 G01001 20020719 155539

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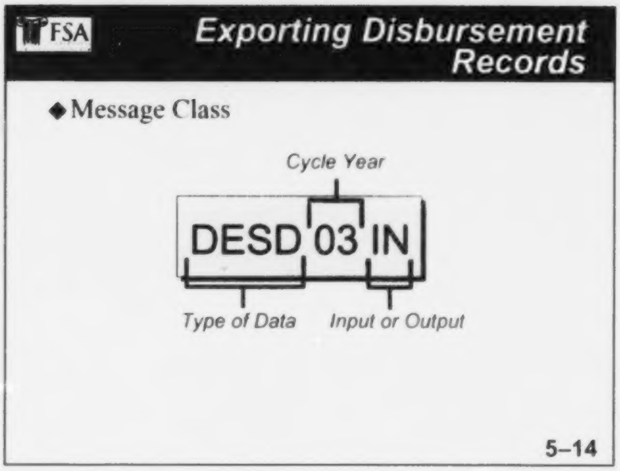


FSA

Exporting Disbursement Records

◆ Message Class

5–14

Message Class

All message classes are named from the user perspective. As indicated in the diagram, the first four characters of the message class identify the type of data.

The second two numbers refer to the last two characters of the award year cycle. In this example, the award year cycle is 03, for 2002–20**03**.

The last two characters indicate input or output data. **"IN"** refers to what you send in for SAIG to retrieve. **"OP"** refers to what SAIG has put back out on the network for you to retrieve.

The message class includes:

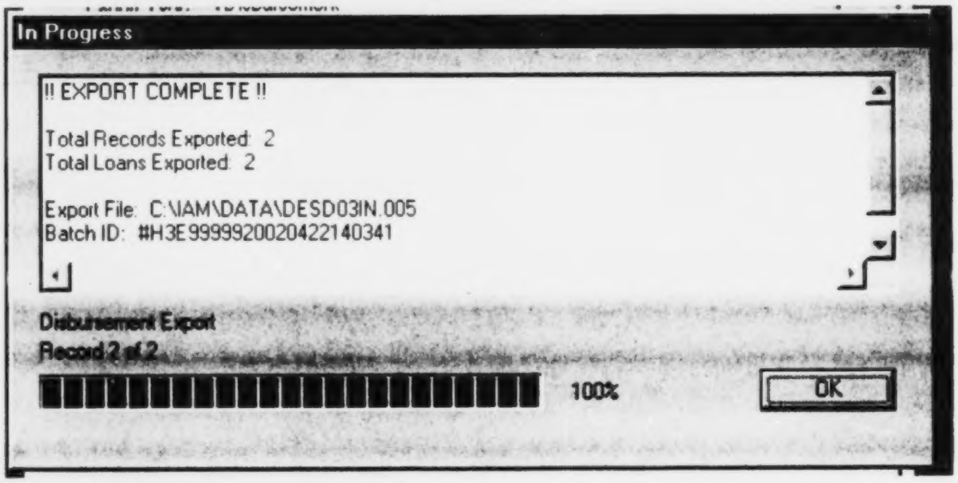
- Type of data (DESD)
- Cycle Year (03)
- Input (IN) or Output (OP)

DESD 03 IN

Instructor Demonstration: Exporting Disbursement Records

In this demonstration we batch a disbursement records using the Export function. Three disbursement records are ready for export. We will select two of them to be included in the batch.

Step	Action
1	Select **File/Export** from the menu or click the **Export** icon.
2	Click the **Direct Loan** tab.
3	Select **Disbursement** as the Export type.
4	Click the **Selection Criteria** button.
5	Click the Select Records button.
6	Check the **checkbox** to select: **394-97-7941**; and **409-99-4655**
7	Click **OK** to close the **Select Records** dialog box
8	The export dialog box redisplays. Click **OK**
9	The In Progress dialog box displays the results of the export. Click **OK** to close.



```
!! EXPORT COMPLETE !!

Total Records Exported: 2
Total Loans Exported: 2

Export File: C:\IAM\DATA\DESD03IN.005
Batch ID: #H3E99999200204221 40341
```

```
Disbursement Export
Record 2 of 2
100%
```

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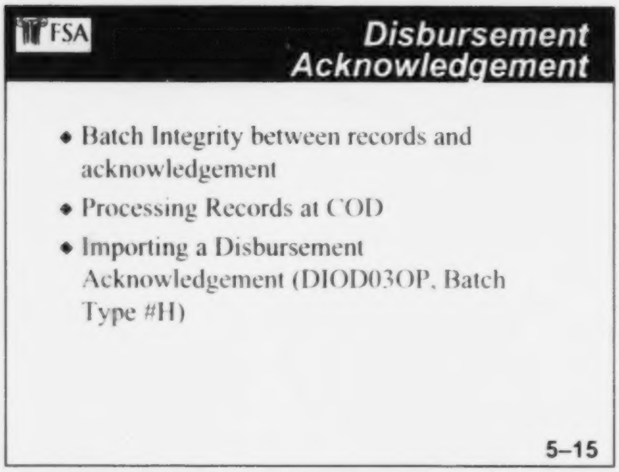


FSA

Disbursement Acknowledgement

- Batch Integrity between records and acknowledgement
- Processing Records at COD
- Importing a Disbursement Acknowledgement (DIOD03OP, Batch Type #H)

5–15

Disbursement Acknowledgements from the COD system

The COD system receives and processes the disbursement records (DESD03IN) sent by the school and returns a Disbursement Acknowledgement (DIOD03OP).

Note: *In the COD process, an Acknowledgement is referred to as a Response. For the purposes of this training, we will continue to use the term Acknowledgement. However, be aware that the terms Acknowledgement and Response are synonymous.*

Batch Integrity

An acknowledgement record is returned to the school for every record the school submits. For example, if a disbursement batch of 200 disbursement records is submitted, the COD system returns an acknowledgement file corresponding to only those 200 disbursement records. The acknowledgement file always contains the Batch ID of the corresponding export file the school submitted. This process is called batch integrity.

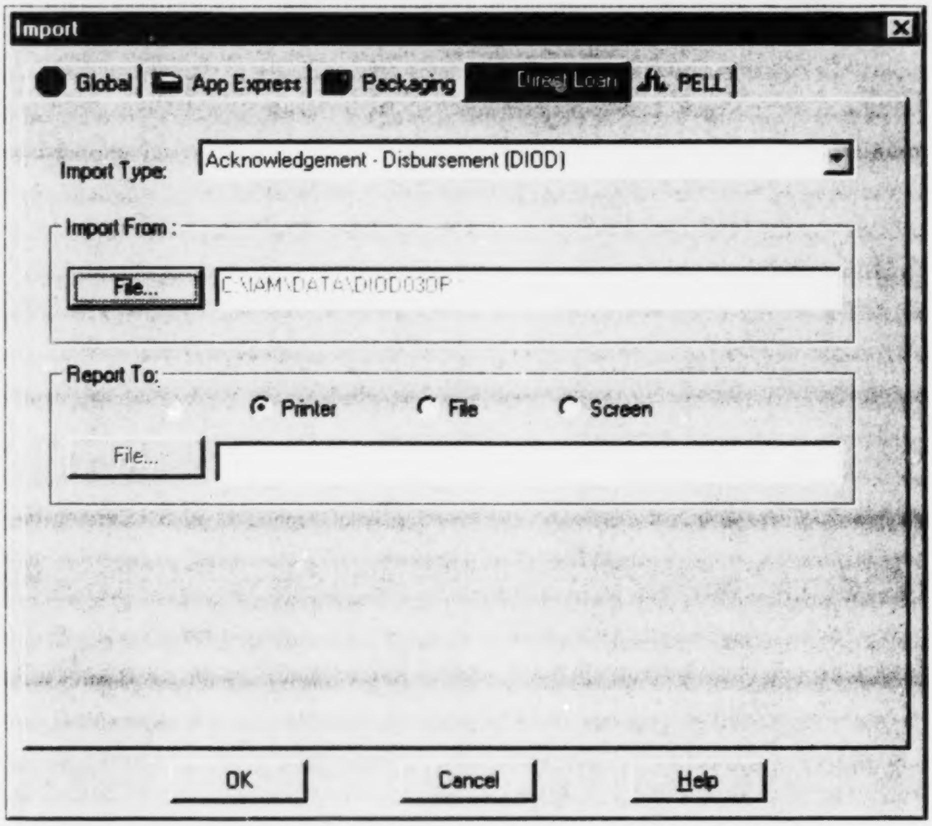
Processing Records at the COD system

The COD system matches first and subsequent disbursements against the specific loan record for the borrower previously established in the COD system database. Each disbursement record is matched to a borrower/loan origination record and edited against other data such as loan amount and borrower status. The school may receive a record from the COD system indicating that the disbursement record is rejected. The school needs to resolve the reject and retransmit it to the COD system. The COD system edits and validates electronic disbursement records within one business day.

Importing a Disbursement Acknowledgement

The Import file type for a Disbursement Acknowledgement record is DIOD03OP, Batch Type #H. When the Disbursement Acknowledgement is imported into EDExpress, the rejected records are listed on the Import Edit Report.

***Note:** See the Direct Loan Technical Reference for a list of reject codes and the meaning of those codes.*


Import
Global
App Express
Packaging
Direct Loan
PELL
File...
Report To:
File...
OK
Cancel
Help

Import Type: Acknowledgement - Disbursement (DIOD)

Import From: C:\AM\DATA\DIOD030P

Report To: ● Printer ○ File ○ Screen

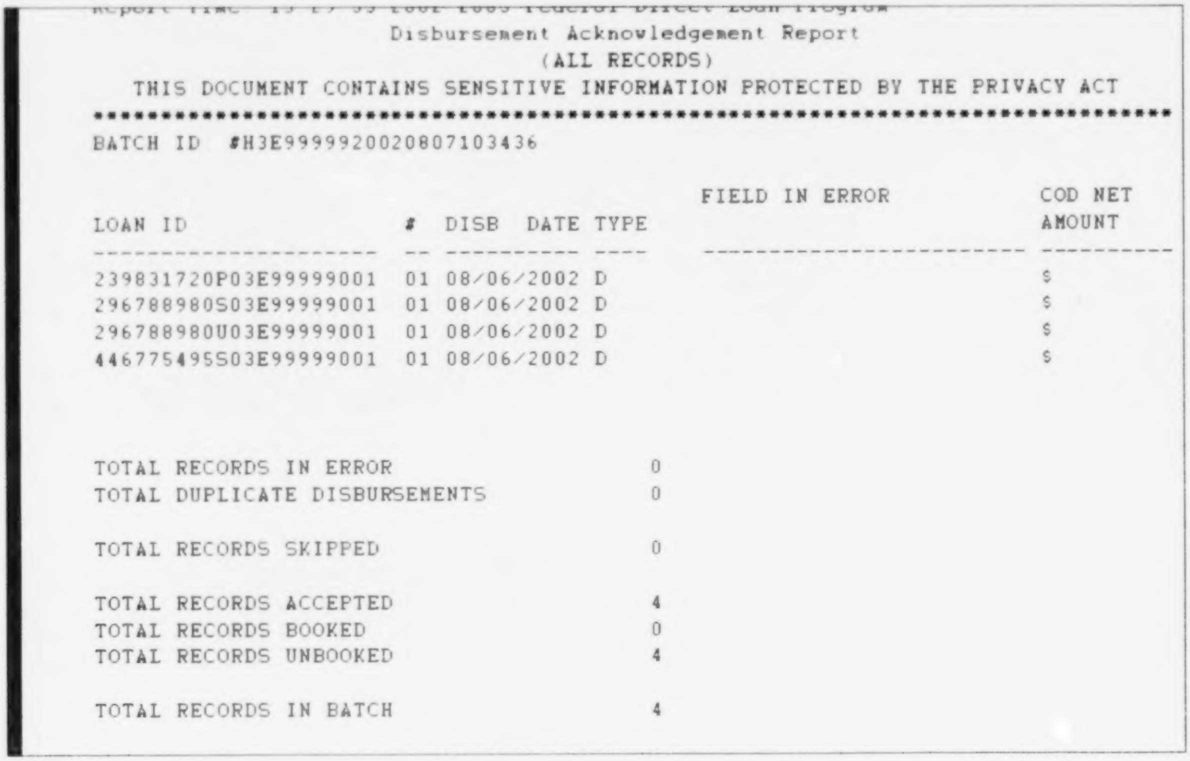
200

BEST COPY AVAILABLE

Instructor Demonstration: Reading the Import Edit Report

In this demonstration we import a disbursement acknowledgement to read the Import Edit Report.

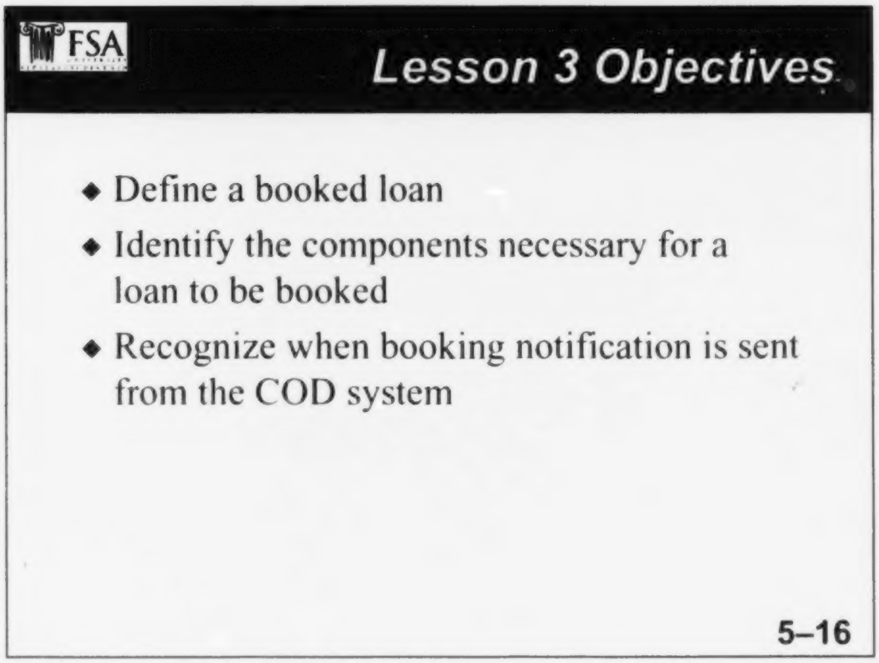
Step	Action
1	Select **File/Import** from the menu or click the **Import** icon.
2	Click the **Direct Loan** tab.
3	Select **Acknowledgement—Disbursement** as the Import type.
4	Click on the **File…**button.
5	Select the file **DIOD03OP.006**.
6	Click **Open**.
7	Select **Screen** as the output destination.
8	Click **OK**. Click **OK** at the In Progress dialog box. The Disbursement Acknowledgement Import Edit Report is displayed.
9	Click **Close** when you are finished viewing the report. See results on the following page.



```
                     Disbursement Acknowledgement Report
                                (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
********************************************************************************
BATCH ID  #H3E99999200208071034 36

                                                FIELD IN ERROR         COD NET
LOAN ID                #  DISB  DATE TYPE                              AMOUNT
---------------------  -- ---------- ----    ----------------------- ---------
239831720P03E99999001  01 08/06/2002 D                                 $
296788980S03E99999001  01 08/06/2002 D                                 $
296788980U03E99999001  01 08/06/2002 D                                 $
446775495S03E99999001  01 08/06/2002 D                                 $



TOTAL RECORDS IN ERROR                  0
TOTAL DUPLICATE DISBURSEMENTS           0

TOTAL RECORDS SKIPPED                   0

TOTAL RECORDS ACCEPTED                  4
TOTAL RECORDS BOOKED                    0
TOTAL RECORDS UNBOOKED                  4

TOTAL RECORDS IN BATCH                  4
```

202

Lesson 3: Booking a Direct Loan



Lesson 3 Objectives

- Define a booked loan
- Identify the components necessary for a loan to be booked
- Recognize when booking notification is sent from the COD system

Key Terms

Booked Loan

A booked loan is a binding obligation between the borrower and the U.S. Department of Education. A loan is considered "booked" when the COD system has accepted the full loan origination record, the MPN/PLUS promissory note, and the first actual disbursement record for a particular Loan ID.

Booking Notification

A disbursement acknowledgement (DIOD03OP) with a batch type of #B is sent by the COD system to notify schools when the first disbursement is booked by the COD system.

Disbursement Activity Type

Disbursement Activity Type is a type of disbursement transaction. The following is terminology used by the COD system on the Disbursement record and Disbursement Acknowledgement.

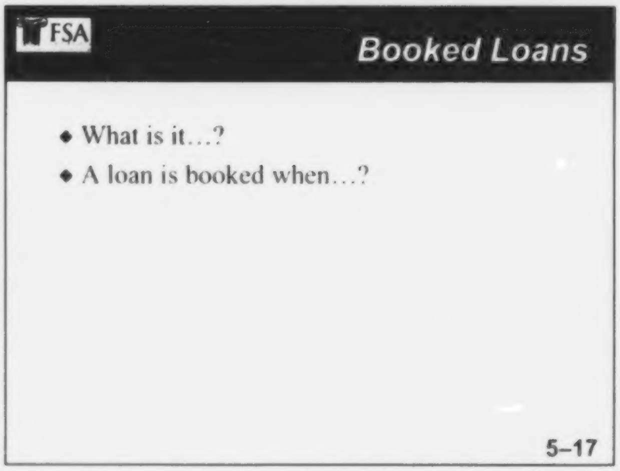
D = Actual Disbursement (Batch type #H)

A = Adjusted Disbursement Amount (Batch type #H)

Q = Adjusted Disbursement Date (Batch type #H)

L = Booking Disbursement (Batch type #B)

P = Servicer Refund (Batch type SP)



FSA

Booked Loans

- What is it…?
- A loan is booked when…?

5–17

Booked Loans

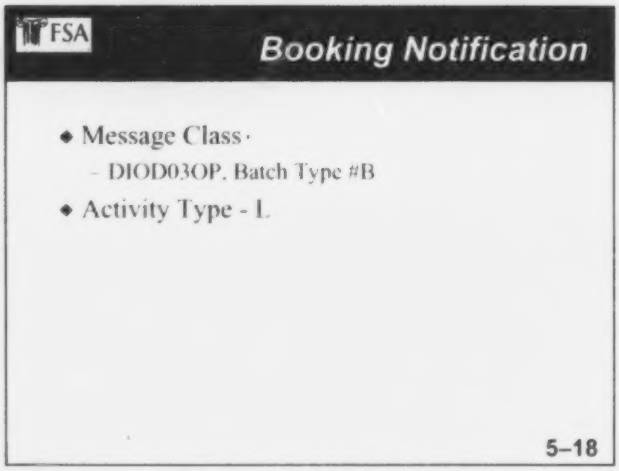
A "booked loan" means that there is a binding obligation between the borrower and the U.S. Department of Education for the borrower to repay the loan.

A loan is considered "booked" when the COD system has accepted:

- A Loan Origination record,
- The MPN/Promissory Note, and
- A disbursement record.

Note: *Actual disbursement data is reported electronically to the COD system, while the promissory notes are mailed to the LOC. Even if a school sends both sets of information simultaneously, the disbursement record will arrive first. A loan is not "booked" until the COD system has accepted the complete loan origination record; the signed, complete promissory note; and the complete disbursement record.*

Starting in 2002–2003, a booking notification is sent only when the first actual disbursement books. You do not receive a booking notification for subsequent disbursement activity.



FSA

Booking Notification

- Message Class ·
  - DIOD03OP, Batch Type #B
- Activity Type - L

Booking Notification

Starting in 2002–2003, a booking notification is sent only when the first actual disbursement books.

DIOD03OP/Batch Type #B

The Disbursement Acknowledgement Message Class (DIOD03OP/Batch Type #B) is used to transmit the Booking Notification to the schools. The booking notification acknowledgement file simplifies the reconciliation process between the schools and the COD system. The booking notification contains the booking date for the first disbursement and the COD system total net loan amount at the time the loan is booked. This booking date is the date the COD system accepts the last component required to book a loan.

Activity Types

The Disbursement Activity type for booking notifications is **L** for a booked disbursement. Booking Notifications use a batch type of #B. The booked disbursement amount is then sent to the Direct Loan Servicing Center (DLSC).

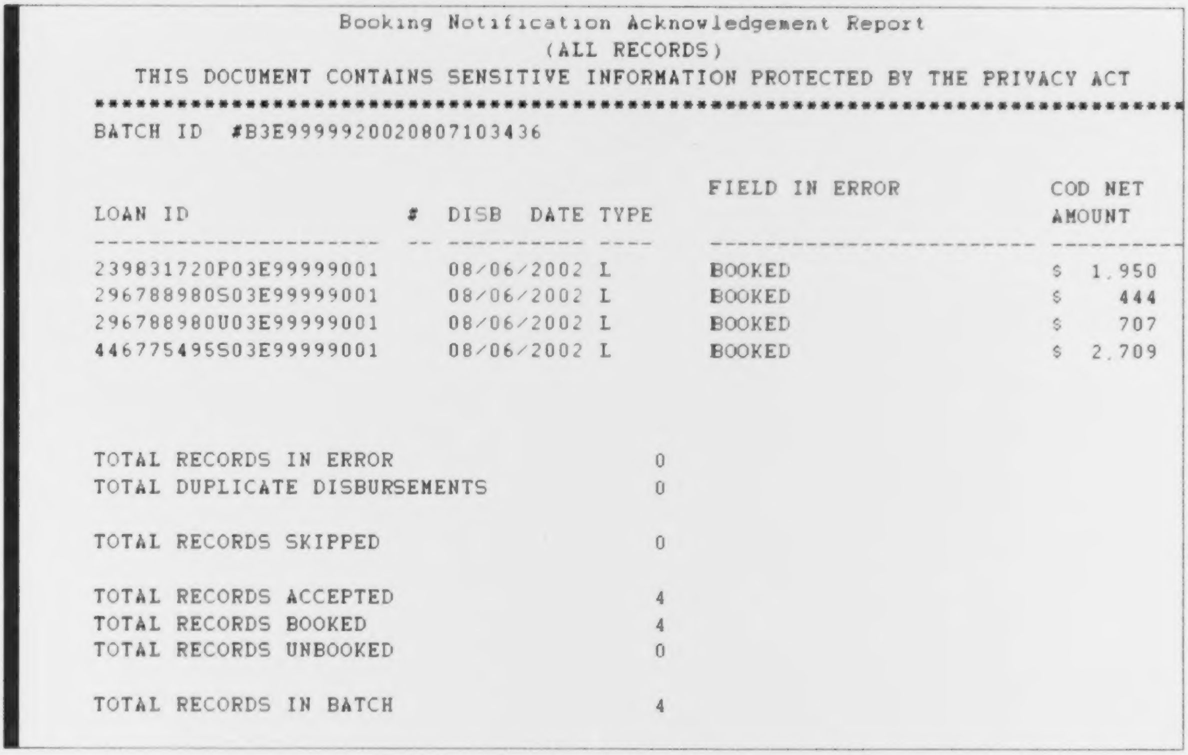
Once the loan is booked, the DLSC sends the disbursement notification to the borrower within three business days from the date that the DLSC receives the initial booking transaction. The timely reporting of actual disbursement data ensures that borrowers receive timely notification of their loan repayment obligation to ED. This is particularly important for Direct PLUS and Direct Unsubsidized borrowers because interest begins to accrue on these loans on the date of actual disbursement.

Note: *The Booking Notification does not have batch integrity.*

Instructor Demonstration: Importing a Booking Notification

In this demonstration we import the Disbursement Acknowledgement/Booking Notification.

Step	Action
1	Select **File/Import** from the menu or click the Import icon.
2	Click the **Direct Loan** tab.
3	Select **Acknowledgement—Disbursement** as the Import type.
4	Click on the **File...**button.
5	Select the file **DIOD03OP.007**.
6	Click **Open**.
7	Select **Screen** as the output destination.
8	Click **OK**. Click **OK** at the In Progress dialog box.
9	Click **Close** when you are finished viewing the report. See results on the following page.



```
                    Booking Notification Acknowledgement Report
                                  (ALL RECORDS)
       THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
    **************************************************************************
    BATCH ID  #B3E99999200208071O3436

                                                   FIELD IN ERROR          COD NET
    LOAN ID                #  DISB  DATE TYPE                              AMOUNT
    ---------------------  -- ---------- ----      ----------------------- ---------
    239831720P03E99999001     08/06/2002 L         BOOKED                  $  1,950
    296788980S03E99999001     08/06/2002 L         BOOKED                  $    444
    296788980U03E99999001     08/06/2002 L         BOOKED                  $    707
    446775495S03E99999001     08/06/2002 L         BOOKED                  $  2,709



    TOTAL RECORDS IN ERROR                   0
    TOTAL DUPLICATE DISBURSEMENTS            0

    TOTAL RECORDS SKIPPED                    0

    TOTAL RECORDS ACCEPTED                   4
    TOTAL RECORDS BOOKED                     4
    TOTAL RECORDS UNBOOKED                   0

    TOTAL RECORDS IN BATCH                   4
```

Lesson 3 Activity

Short Answer:

What is the difference between a #H and a #B batch?

When is a loan considered "booked"?

What does a Booking Notification record contain?

What is the Booking Date?

List the Disbursement Activity type for the booking notification.

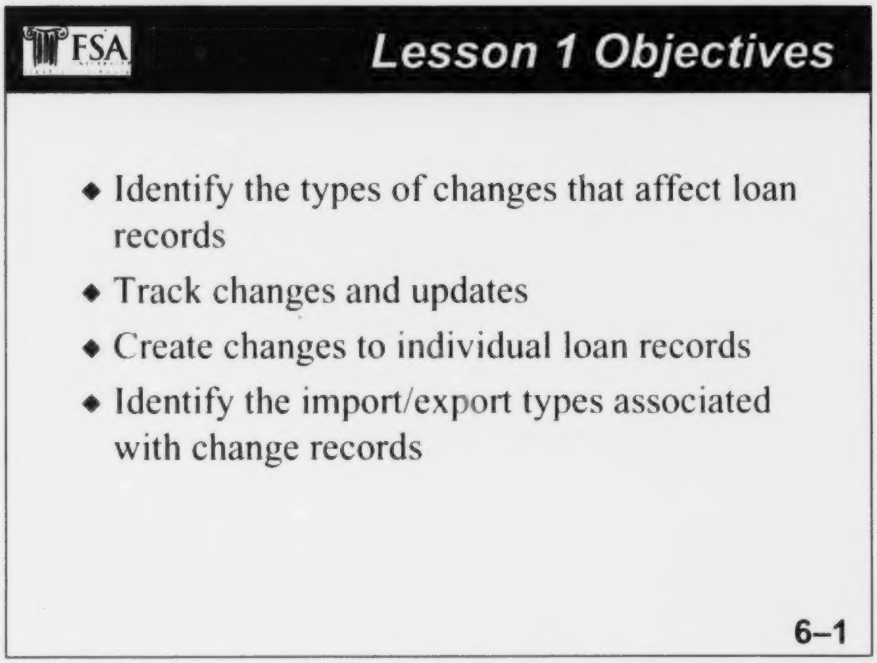
Session 6: Making Changes to Direct Loan Records

Lesson 1—Updating/Modifying Origination Records

Lesson 2—Changing Actual Disbursements

Session 6—Making Changes to Direct Loan Records

Lesson 1: Updating/Modifying Origination Records



Lesson 1 Objectives

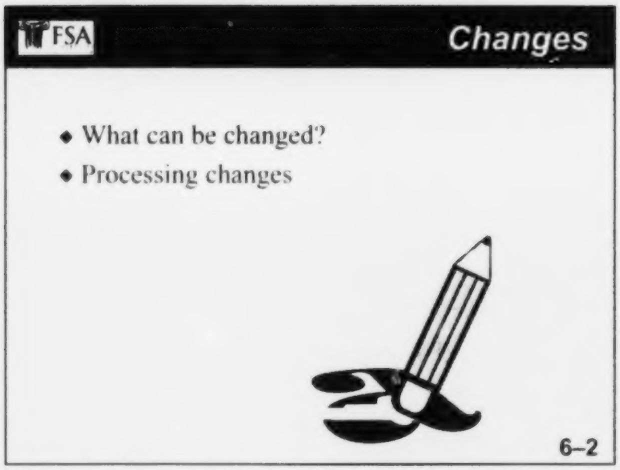
- Identify the types of changes that affect loan records
- Track changes and updates
- Create changes to individual loan records
- Identify the import/export types associated with change records

6–1

Key Term

Change Record

When you make a change to a loan record that has been batched or accepted by the COD system, you must then send the change record to the COD system. A change record consists of the updated data only. Upon receipt of a change record, the COD system updates the Direct Loan database accordingly and generates an acknowledgement to the school.



FSA

Changes

- What can be changed?
- Processing changes

Changes

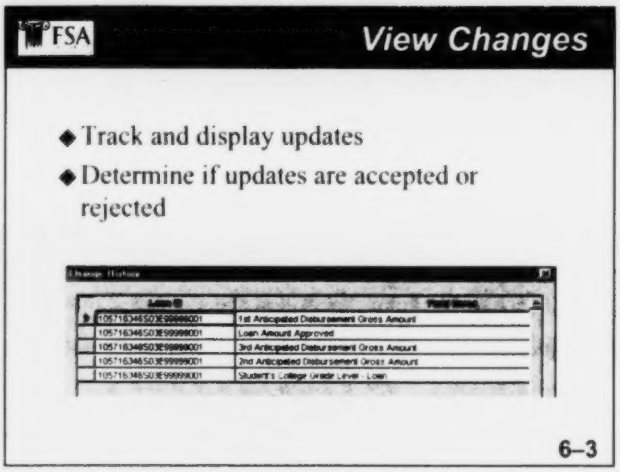
When you make a change to an origination record that has been batched or accepted by the COD system, you must then send the change record to the COD system. These changes may include demographic data or changes to loan amounts or anticipated disbursement dates and amounts. When you make a change to a record with a loan origination status of B (batched for the COD system) or A (accepted by the COD system) and save it, EDExpress automatically creates a change record. When a change record is saved, the loan origination and MPN/Prom Note statuses do not change.

Processing Changes

EDExpress tracks changes to demographic data, loan amounts, anticipated disbursement dates, and anticipated disbursement amounts. A change record consists only of the data that has been changed, so it is much shorter than a full origination record. Like full origination export batches, you must export change records in batches (DESC03IN) to the COD system.

The COD system updates its records accordingly upon receipt of your change record export batch. The COD system also confirms receipt of each batch file with a change acknowledgement (DIOC03OP). These acknowledgement batch files must be imported into your system.

Best practice requires frequent, routine export of change records and import of change acknowledgements. This ensures that the COD system's data and your data are consistent and current to the maximum extent possible. As we'll see later, this simplifies reconciliation and year-end close out.



View Changes

- Track and display updates
- Determine if updates are accepted or rejected

Change History

105716346S03E99999001	1st Anticipated Disbursement Gross Amount
105716346S03E99999001	Loan Amount Approved
105716346S03E99999001	3rd Anticipated Disbursement Gross Amount
105716346S03E99999001	2nd Anticipated Disbursement Gross Amount
105716346S03E99999001	Student's College Grade Level - Loan

Track and Display Updates

Use the Change History function on the Loans tab to view and track changes made to the loan record. The change status code is also tracked in the display grid, so you can determine if the change submitted has been accepted or rejected by the COD system.

☺ ***Tip:*** *Loan Origination Change and Anticipated Disbursement fields that you change are color-coded blue, until you import the acknowledgement with an accepted status for the field from the COD system.*

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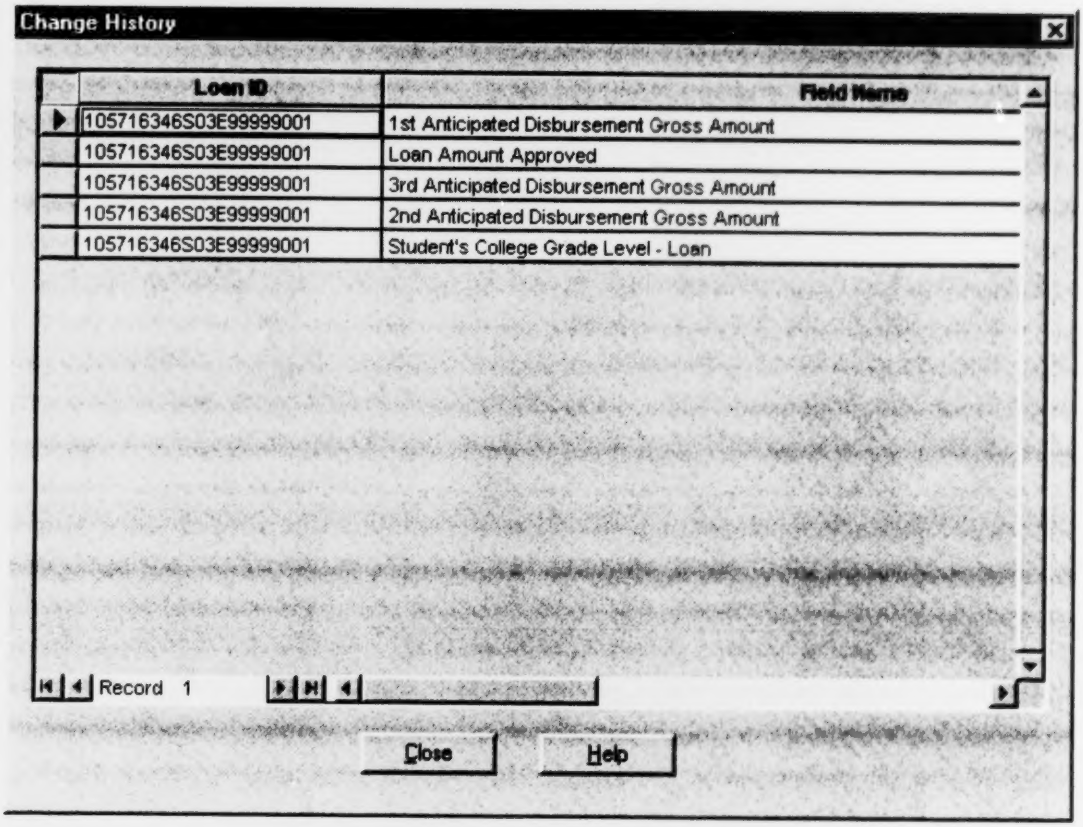

Loan ID	Field Name
105716346S03E99999001	1st Anticipated Disbursement Gross Amount
105716346S03E99999001	Loan Amount Approved
105716346S03E99999001	3rd Anticipated Disbursement Gross Amount
105716346S03E99999001	2nd Anticipated Disbursement Gross Amount
105716346S03E99999001	Student's College Grade Level - Loan

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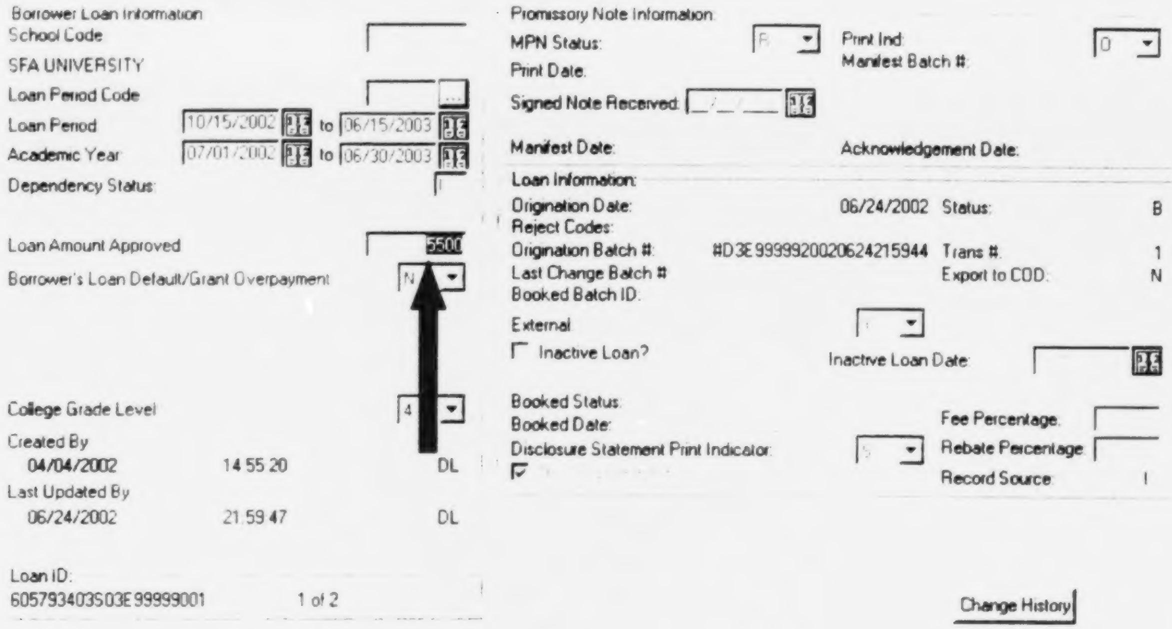
Instructor Demonstration: Edit a Single Loan Record

Once a loan record has been batched or accepted, you can modify the loan by accessing the record and making the changes manually. To modify a single loan record, you:

Step	Action
1	Select **File, Open** from the menu, or, click the open icon 📂 on the menu bar
2	Type the SSN, in this case **605-79-3403,** and click **OK**. (You could also click the ellipsis (…) button or the ISIR button to display a list of records in the database and click on the record to select it, and then click **OK**.)
3	Click the **Loans** tab at the bottom of the screen.
4	If the student has more than one loan record, choose the appropriate loan ID by clicking **Record, Retrieve** on the menu bar (or the ellipsis button). Select the correct loan ID from the list, in this case the subsidized loan.
5	Modify data as needed. In this case, change Loan Amount Approved to **400**. Use your mouse or the Tab key to navigate between fields. Press **Tab** to move forward from field to field; press **Shift-Tab** to move in reverse.
6	Select **File, Save** from the menu bar to save the changes.
7	Repeat steps 4–6 for the unsubsidized loan, in step 5 changing Loan Amount Approved to **8600**. Click **Yes** to Recalculate anticipated disbursements.
8	To view the changes made, click the **Change History** button on the Loans Tab.
9	Scroll to the right to view all the columns including the Status field.
10	Select **File, Close** from the menu bar.

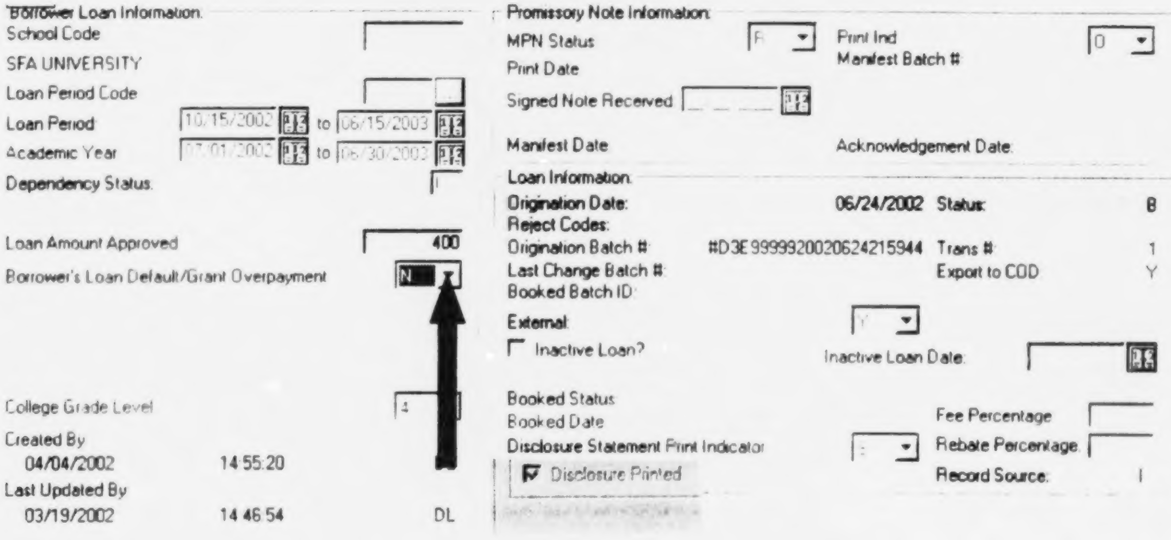
Record before change….



Borrower Loan Information
School Code
SFA UNIVERSITY
Loan Period Code
Loan Period 10/15/2002 to 06/15/2003
Academic Year 07/01/2002 to 06/30/2003
Dependency Status I
Loan Amount Approved 5500
Borrower's Loan Default/Grant Overpayment N
College Grade Level 4
Created By
04/04/2002 14 55 20 DL
Last Updated By
06/24/2002 21 59 47 DL
Loan ID:
605793403S03E99999001 1 of 2

Promissory Note Information
MPN Status: R
Print Ind: 0
Print Date:
Manifest Batch #:
Signed Note Received: __/__/____
Manifest Date:
Acknowledgement Date:
Loan Information:
Origination Date: 06/24/2002
Status: B
Reject Codes:
Origination Batch #: #D3E99999200206242159 44
Trans #: 1
Last Change Batch #
Export to COD: N
Booked Batch ID:
External
☐ Inactive Loan?
Inactive Loan Date:
Booked Status:
Booked Date:
Fee Percentage:
Disclosure Statement Print Indicator: S
Rebate Percentage:
☑
Record Source: I

Record after change to $400….



Borrower Loan Information
School Code
SFA UNIVERSITY
Loan Period Code
Loan Period 10/15/2002 to 06/15/2003
Academic Year 07/01/2002 to 06/30/2003
Dependency Status I
Loan Amount Approved 400
Borrower's Loan Default/Grant Overpayment N
College Grade Level 4
Created By
04/04/2002 14:55:20
Last Updated By
03/19/2002 14 46 54 DL

Promissory Note Information
MPN Status R
Print Ind 0
Print Date
Manifest Batch #
Signed Note Received
Manifest Date
Acknowledgement Date
Loan Information
Origination Date: 06/24/2002
Status: B
Reject Codes:
Origination Batch #: #D3E99999200206242159 44
Trans #: 1
Last Change Batch #:
Export to COD Y
Booked Batch ID:
External: Y
☐ Inactive Loan?
Inactive Loan Date:
Booked Status
Booked Date
Fee Percentage
Disclosure Statement Print Indicator S
Rebate Percentage
☑ Disclosure Printed
Record Source: I

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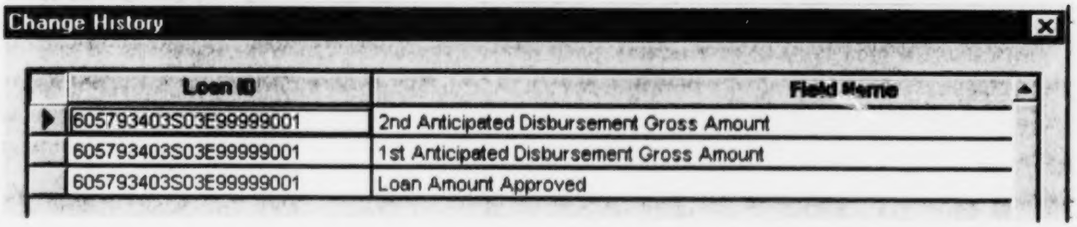
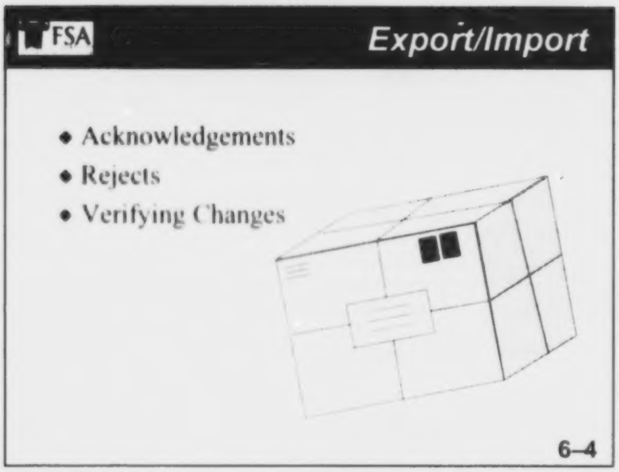
View of the Changes



Loan ID	Field Name
605793403S03E99999001	2nd Anticipated Disbursement Gross Amount
605793403S03E99999001	1st Anticipated Disbursement Gross Amount
605793403S03E99999001	Loan Amount Approved



Export/Import

- Acknowledgements
- Rejects
- Verifying Changes

Change Record Acknowledgements / Loan Origination Change Reject Codes

Loan Origination Change acknowledgements are returned by the COD system with the message class of DIOC03OP.

Acknowledgements for change records indicate whether the records were accepted or rejected. Reasons for rejects are indicated by reject codes and are displayed on the Loans tab (see the *Direct Loan Technical Reference* for Reject Codes). The Change Record Acknowledgement Edit report is generated in response to a batch of change records. Only rejected changes are listed in detail. Those details include:

- Loan ID
- Changed field transmit number
- Changed field value
- Change error code

The bottom of the report displays the total records accepted, in error, and skipped. When you import a change acknowledgement, EDExpress updates the corresponding batch ID in the Batch Activity database with a confirmation date. Importing a change acknowledgement does not update any status flags on the loan screen, but the status code associated with each change field will update in the change history grid. Fields that are rejected will remain color-coded blue in the loan and/or disbursement screen. Rejected changes need to be researched and resolved.

Verify Change Process

The Verify Change process is used to re-send change fields to the COD system for Loan Amount Approved and Anticipated Disbursement Gross Amounts and Dates. For records that have a loan status of B (batched) or A (accepted by the COD system), the verify change process allows you to use manual or multiple entry. Once you verify a field, you must export and transmit loan origination change records to the COD system.

Lesson 1 Activity

Scenario

You have discovered after repackaging a student's aid package that the amount of subsidized loan that the student is eligible for has been reduced. You must now reduce the Loan Amount Approved for a loan origination record that has already been accepted. Locate and open **601-66-7674** and change the Loan Amount Approved to **$3,200**.

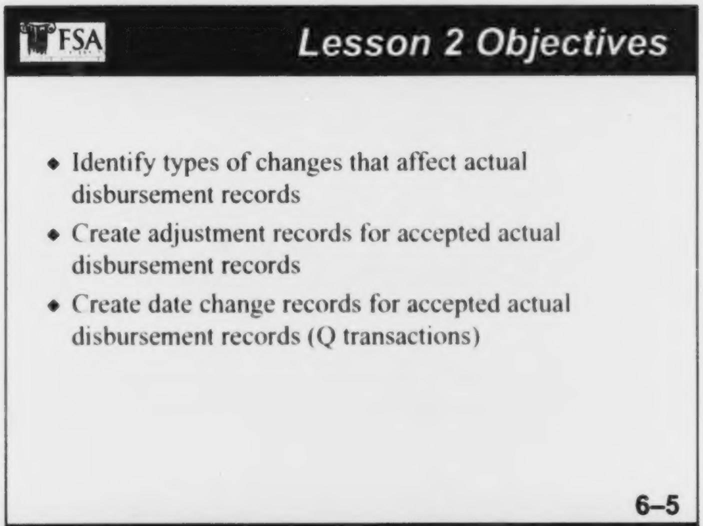
After you save the record, view the changes.

What other fields did EDExpress modify based on the change you made?

____

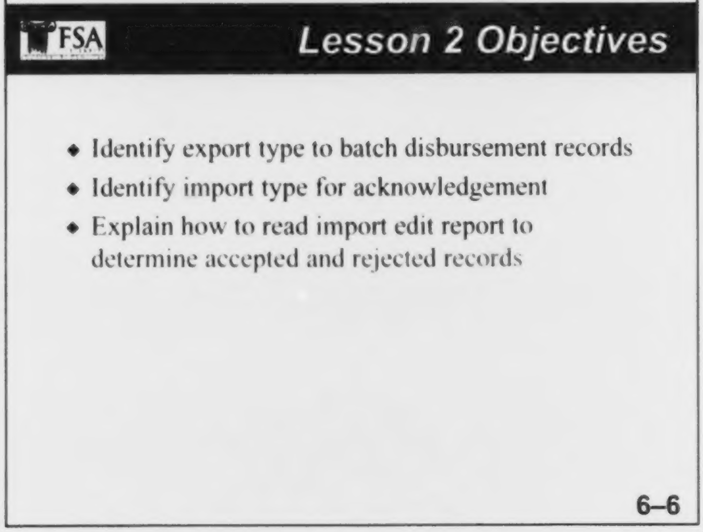
Session 6—Making Changes to Direct Loan Records

Lesson 2: Changing Actual Disbursement Records



Lesson 2 Objectives

- Identify types of changes that affect actual disbursement records
- Create adjustment records for accepted actual disbursement records
- Create date change records for accepted actual disbursement records (Q transactions)



Lesson 2 Objectives

- Identify export type to batch disbursement records
- Identify import type for acknowledgement
- Explain how to read import edit report to determine accepted and rejected records

Key Term

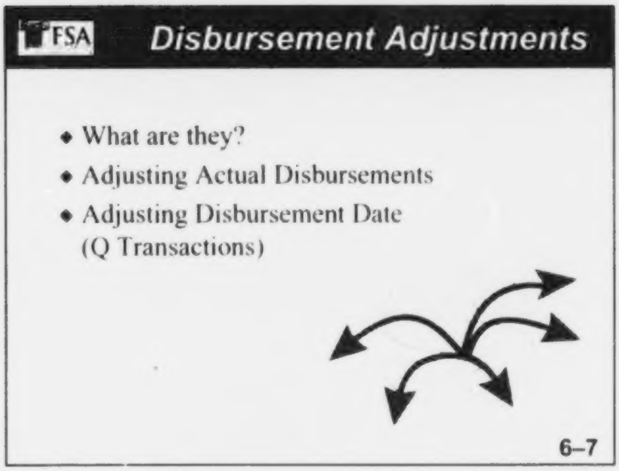
Disbursement Adjustment

Any change to an actual disbursement amount or date.

Inactive Loan

An "inactive loan" implies that a loan is no longer being processed for a borrower and that there will be no further transactions.

Marking a loan as Inactive allows you to keep the loan from displaying on the EDExpress List - Anticipated Disbursement report. You also have the option to automatically reduce the Loan Amount Approved and all anticipated disbursements to $0 (if actual disbursements do not exist).



FSA **Disbursement Adjustments**

- What are they?
- Adjusting Actual Disbursements
- Adjusting Disbursement Date (Q Transactions)

6–7

Handling Disbursement Adjustments

Any change to the initial disbursement amount generates a disbursement record called an adjustment. Each adjustment is a unique disbursement record with status flags. You can make as many adjustments to an individual actual disbursement as you wish.

The Adjustment Action types include:

A = Adjusted Gross or Net Disbursement Amount (depending on Direct Loan System Setup)

N = Net Adjustment

Q = Adjusted Disbursement Date

The following rules apply to actual disbursements:

- The sum of the actual disbursements cannot exceed the loan amount approved.
- When using Adjustment Action type "A," you enter a positive amount reflecting the new disbursement amount. You cannot enter a negative amount. EDExpress calculates the adjustment amount for you.
- When using Adjustment Action type "N," you enter the net amount of the change to the disbursement. This figure can be a negative or positive amount.
- You cannot record more than one adjustment for the same disbursement number with the same adjustment date.

☺ ***Tip**: From the Disbursement tab, you can delete an Actual or Adjusted Disbursement record prior to the Save process if necessary.*

Cash Adjustments

Except when correcting a data error, a school must make a corresponding cash transaction whenever a downward adjustment is made. Schools must either return the net adjustment amount to the COD system as excess cash, or return the funds to the school's "Federal" account and disburse the money to another eligible borrower. All schools must send disbursement adjustment records reflecting the adjustment to the COD system.

Adjustments to Actual Disbursements

Once the COD system has accepted an actual disbursement you can make as many adjustments to that disbursement as necessary. A disbursement adjustment is the return of a portion of the amount or the total amount of a disbursement because of any number of events such as:

- A disbursement amount was originally input incorrectly and must be corrected.
- A reduction in the amount of the student's eligibility requires a downward adjustment to a disbursement.
- The return of Title IV funds policy requires the full or partial return of the amount disbursed.
- The school determines that the disbursement should not have been made.
- The borrower returns to the school, within 120 days, all funds that have been disbursed.

RULES for making adjustments to actual disbursements:

- Ensure that all disbursements and prior adjustments have been accepted by the COD system (Disbursement Status = A) before adjusting an actual disbursement.
- You cannot record two adjustments for the same disbursement number with the same disbursement date.
- You can adjust actual disbursements using positive or negative net adjustment amounts (Disbursement Type N). For example, an actual disbursement of $1200 can be reduced to $1000 by entering a net adjustment amount of $-200. EDExpress calculates the gross, net, interest rebate and fee amounts based on the latest disbursement sequence number of the related actual disbursement transaction.
- You can adjust disbursements by increasing the disbursement amount but the total of all disbursements and adjustments cannot exceed the Loan Amount Approved. Make changes to increase the Loan Amount Approved if needed, before increasing disbursement amounts.
- The Adjusted Disbursement Type A or N is exported in a disbursement batch (DESD03IN) and acknowledged by the COD system in a corresponding disbursement acknowledgement batch (DIOD03OP).
- The Adjusted Disbursement transaction record can be deleted from the Disburse tab if it has a disbursement status of R (ready to be batched) or E (rejected by the COD system).

Adjusting the Disbursement Date

EDExpress allows users to make adjustments to actual disbursement dates that have been recorded incorrectly. You must enter a disbursement number, disbursement type of Q (adjusted disbursement date), and a new disbursement date, to make the adjusted date transaction valid. The Amount field is disabled once the software recognizes a disbursement type of Q. You can make up to 2 adjustments to an actual disbursement date. Any additional adjusted date transactions are rejected by the COD system.

RULES for making adjustments to actual disbursement dates:

- A previous disbursement type of D must exist and have a disbursement status of A (accepted) or B (batched) before a Q disbursement type can be saved.
- The Adjusted Disbursement Date Type Q is exported in a disbursement batch (DESD03IN) and acknowledged by the COD system in a corresponding disbursement acknowledgement batch (DIOD03OP).
- The Adjusted Disbursement Date transaction record can be deleted from the Disburse tab if it has a disbursement status of R (ready to be batched) or E (rejected by the COD system).

The Adjusted Disbursement Date transaction record can be a date prior to or later than the date of an actual disbursement amount transaction for that disbursement number, within disbursement guidelines.

Instructor Demonstration: Adjustments to Actual Disbursements

To adjust actual disbursement amounts, follow these steps:

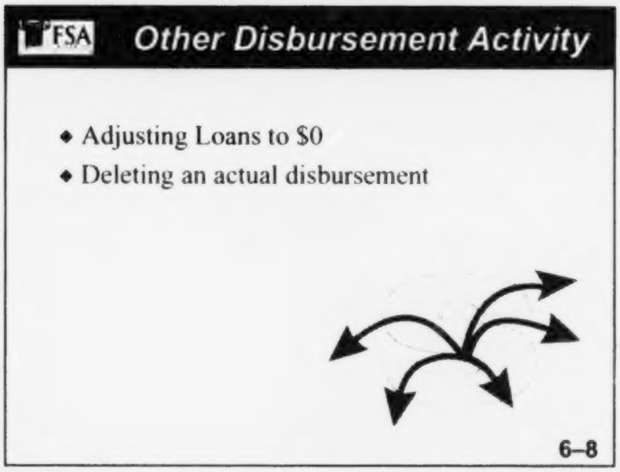
Step	Action
1	Select **File, Open** from the menu bar.
2	Type the SSN **170-79-1951** and click **OK** **OR** click the ellipsis (…) button or the ISIR button to display a list of records in the database and click on the record (in this case Kelly Bundy) to select it. Click **OK.**
3	Click the **Disburse** tab at the bottom of the screen.
4	If the student has more than one loan record, choose the appropriate Loan ID by clicking **Record, Retrieve** on the menu bar. Select the correct Loan ID from the list. In this case, the **Loan ID** for the **Subsidized Loan**.
5	Go to the Disbursement box located in the Action section between the Anticipated and Actual Disbursement tables and select or type the number of the disbursement you are adjusting. In this case, click **1**.
6	Enter the Disbursement Type **N**.
7	Enter the Date of the disbursement adjustment, in this case, **08/08/2002**.
8	Type the amount that you are adjusting the loan by, negative for a downward adjustment, positive for an upward adjustment, since you chose disbursement type "N." In this case, **-300.**
9	Click **Add**. EDExpress adds a line to the actual disbursement grid that shows the new gross, fee, interest rebate, net disbursement, and net adjustment amounts. EDExpress will also calculate a new total.
10	Select **File, Save** from the menu bar to save the changes.
11	Click the **Close** icon after reviewing the record.

Instructor Demonstration: Adjusting the Disbursement Date

To adjust the disbursement date, simply:

Step	Action
1	Select **File, Open** from the menu bar.
2	Type the SSN **239-83-1720** and click **OK.** **OR** click the ellipsis (…) button to display a list of records in the database and click Benjamin Covington's record to select it. Click **OK**.
3	Click the **Disburse** tab at the bottom of the screen. If the student has more than one loan record, choose the appropriate loan ID by selecting **Record, Retrieve** from the menu bar. Select the correct loan ID from the list. In this case, use the **PLUS** loan.
4	Go to the Disbursement box located in the Action section between the Anticipated and Actual Disbursement table and select or type the number of the disbursement you are adjusting. In this case, click **1**.
5	Enter the Disbursement Type Q for a disbursement date adjustment.
6	Enter the new Disbursement Date for the actual disbursement: **10/09/2002**
7	Click **Add**. EDExpress adds a line to the table with the adjustment.
8	Select **File, Save** from the menu bar to save the changes.
9	After reviewing, press the **Alt** + **F, C** keys to close the record.

Note: *You cannot enter an amount when adjusting an actual disbursement date. You can, however, adjust an amount AFTER you have adjusted the date on the same transaction. You can enter the new date in the Disbursement Date field, but the Disbursement Amount field is grayed out. This creates a disbursement transaction that must be exported to the COD system.*



FSA **Other Disbursement Activity**

- Adjusting Loans to $0
- Deleting an actual disbursement

6–8

Adjusting Actual Disbursements to $0

Actual disbursements that need to be canceled should be adjusted down to $0. First, enter the actual disbursement number to be adjusted, a disbursement type (A/N), a disbursement date, and the disbursement amount of $0, or in the case of a net adjustment, the negative of the current amount of the disbursement. Adjustments of actual disbursements down to $0 create actual disbursement records (not change records) that must be exported and transmitted to the COD system.

RULES for adjusting an actual disbursement down to $0:

- An adjustment always applies to the current amount of the disbursement.
- Ensure that all disbursements and prior adjustments have been accepted by the COD system (disbursement status = A) before reducing an actual disbursement to $0.
- You must export change records and disbursement records to the COD system if you also adjust the anticipated disbursements and loan amount to $0. Export and transmit the disbursement batch before the change batch.

Note: *You can always adjust an actual disbursement back up to a positive amount.*

Inactive Loan

Once all actual disbursements are adjusted to $0, you are provided the option to mark the loan as inactive. If selected, this adds a checkmark to the "Inactive Loan?" box. The "Inactive Loan?" box is not a field that is transmitted to the COD system and is for school use only.

Once the loan amount approved has been adjusted to $0 or the "Inactive Loan?" box is marked, the loan is considered inactive on EDExpress. Making a loan inactive allows a school the opportunity to reactivate the loan at a future date. To reactivate a loan a school simply increases the loan amount approved from $0 or unmarks the "Inactive Loan ?" box.

Instructor Demonstration: Deleting an Actual Disbursement

The most recent actual disbursement record with a disbursement status of R (ready to disburse) or E (rejected by the COD system) can be deleted. Once the disbursement record has been batched, you cannot delete it, unless it is acknowledged by the COD system as a rejected loan record.

To delete an actual disbursement, you:

Step	Action
1	Select **File, Open** from the menu bar.
2	Type **432-87-7520** and click **OK,** **OR** click the ellipsis (…) button or the ISIR button to display a list of records in the database and click on the record to select it and click **OK**.
3	Click the **Disburse** tab at the bottom of the screen. If the student has more than one loan record, choose the appropriate loan ID by clicking **Record, Retrieve** on the menu bar. Choose the **unsubsidized** loan.
4	Click #**1** in the Actual Disbursements grid to indicate which disbursement to delete.
5	Select **File, Delete** from the menu bar. Click **Yes**.
6	Select **File, Save** from the menu bar to save the changes. Click **OK**.
7	Select **File, Close** from the menu bar to exit the record.

COD Response and Actions

All disbursement records must be exported and transmitted to the COD system. Adjusted Disbursement Amounts and Adjusted Disbursement Dates are considered to be unique disbursement records. The COD system matches first and subsequent disbursements against the specific loan record for the borrower previously established in the COD database. Each disbursement record is matched to a borrower/loan origination record and edited against other data such as loan amount and borrower status. The COD system edits and validates electronic disbursement records within one business day.

Importing Disbursement Acknowledgements (DIOD03OP)

After you transmit records, the COD system sends you an acknowledgement. You must import this acknowledgement to update the records associated with the batch in your database. Acknowledgements respond to specific batch exports, maintaining integrity between data you send and the data you receive. When you import acknowledgements, EDExpress automatically updates the records and the various related tables. The Batch Activity database is updated with a confirmation date, so you can easily determine that the COD system has responded to a specific batch transmission and you have imported this batch into EDExpress.

Acknowledgements for disbursement records indicate whether the individual transactions were accepted or rejected. Reasons for rejects are indicated by reject codes and are displayed on the Disbursements tab (see the *Direct Loan Desk Reference* for reason codes). The number of records that have been accepted or rejected appear in the totals at the bottom of the Disbursement Record Acknowledgement Edit report. Accepted and rejected disbursements are listed in detail. Those details include:

- Loan ID
- Disbursement number
- Disbursement date
- Type
- Disbursement reject reason

Rejected Disbursements

You must resolve rejected disbursements as soon as possible. Rejected disbursement transactions will be included in your next disbursement export batch. If you do not resolve rejected transactions, they will be rejected again.

Lesson 2 Activity

Scenario

A student at your school has decided to accept less loan money for the year. The student has both a Subsidized and Unsubsidized loan. He wants to reduce the Unsubsidized amount and you have determined that the Actual Disbursement posted to the record must be adjusted to $0. Since he may want to receive funds in the next term, do not inactivate the loan. He also wants to reduce the Subsidized disbursement by $450. You also discover that the original disbursement date for the first Subsidized disbursement was recorded incorrectly.

Locate and open **168-77-5556** and:

1. Adjust the Unsubsidized Actual Disbursement to **$0.** The date of the adjustment should be **8/10/2002**
2. Use the date of **8/09/2002** for the date adjustment for the original first disbursement of the Subsidized loan.
3. Adjust the Actual Disbursement for the Subsidized loan first disbursement down **$450.** The adjustment date should be **8/10/2002**.

Session 7: Reconciliation and DL Tools

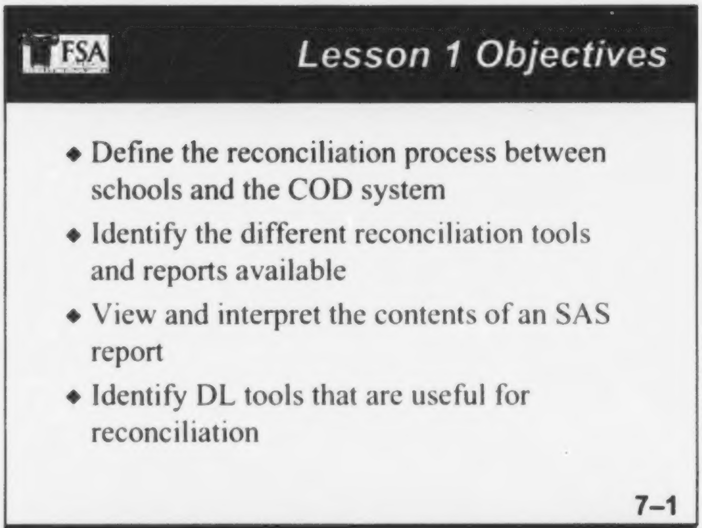
Lesson 1—Ongoing Reconciliation Process at the School

Lesson 2—Cash Management/Compare Program

Lesson 3—Rebuild Process

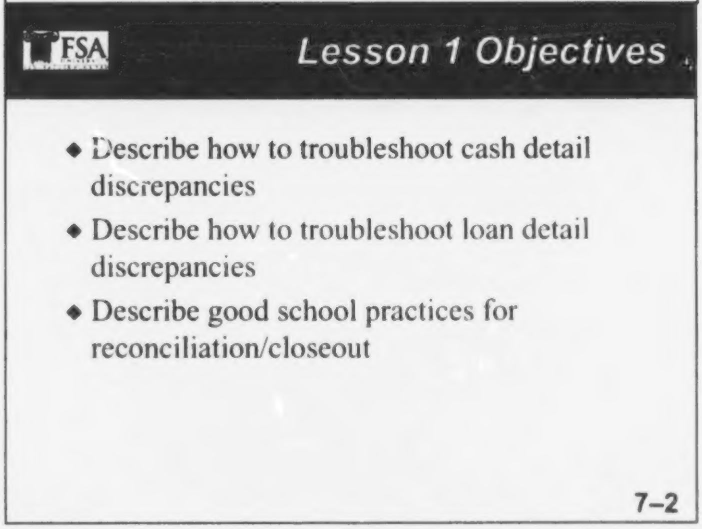
Session 7—Reconciliation and DL Tools

Lesson 1: On-going Reconciliation Process at the School



Lesson 1 Objectives

- Define the reconciliation process between schools and the COD system
- Identify the different reconciliation tools and reports available
- View and interpret the contents of an SAS report
- Identify DL tools that are useful for reconciliation



Lesson 1 Objectives

- Describe how to troubleshoot cash detail discrepancies
- Describe how to troubleshoot loan detail discrepancies
- Describe good school practices for reconciliation/closeout

Key Terms

Advance Pay

Under the Advance Pay funding method, schools request cash through GAPS for estimated disbursements to students/borrowers within three (3) business days. In addition, schools may only draw down cash up to the difference between the school's Current Funding Level (CFL) and the amount of funds previously sent to the school for a given award year and program. The U.S. Treasury transmits funds to the school's bank

ASCII

American Standard Code for Information Interchange, or ASCII, is the code that most computers use to represent text, so data can be transferred from one computer to another. Text editors and word processors can store data in ASCII format.

Direct Loan Tools for Windows

Direct Loan Tools is a Windows-based software product that can be used by all Direct Loan schools. The U.S. Department of Education provides this free software application.

Comma-delimited

A format in which data elements within a record are separated by commas

Excess Cash

Any amount of Title IV program funds (other than FFEL Program or Federal Perkins Loan Program funds) that a school does not disburse according to regulations.

Pushed Cash

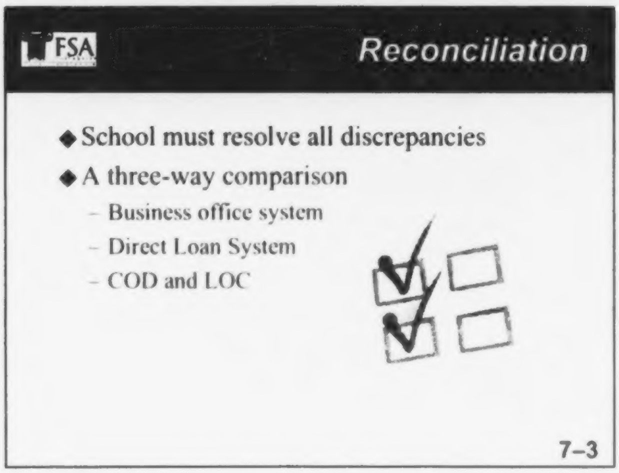
Under the Pushed Cash funding method, a school has cash deposited in its bank account based on actual disbursements that are submitted and accepted by the COD System and the CFL calculation.

Reconciliation

Reconciliation is the monthly activity of resolving fund discrepancies between the LOC and/or COD and the school. Direct Loan reconciliation has two separate but related parts that occur together: cash management reconciliation and loan record reconciliation.

School Account Statement (SAS)

A monthly report sent by the COD system listing data on cash balances, cash details, booked loans, and booked and unbooked disbursements transactions. Prior to 2002-03 this information was provided in two reports: the 732 report and the DLSAS.



FSA

Reconciliation

- ◆ School must resolve all discrepancies
- ◆ A three-way comparison
  - – Business office system
  - – Direct Loan System
  - – COD and LOC

7–3

Reconciliation

The Department of Education defines reconciliation as 'the process by which the Direct Loan cash balance reported by the Loan Origination Center (LOC) and/or the Common Origination and Disbursement system (COD) is reviewed and compared with the school's internal records on a monthly basis by the school. Schools must resolve all discrepancies. In other words, reconciliation is the process by which a school matches it's Direct Loan records with those on file at the LOC and/or the COD system. It is critical that schools develop and maintain reliable procedures for reconciling their Direct Loan accounts.

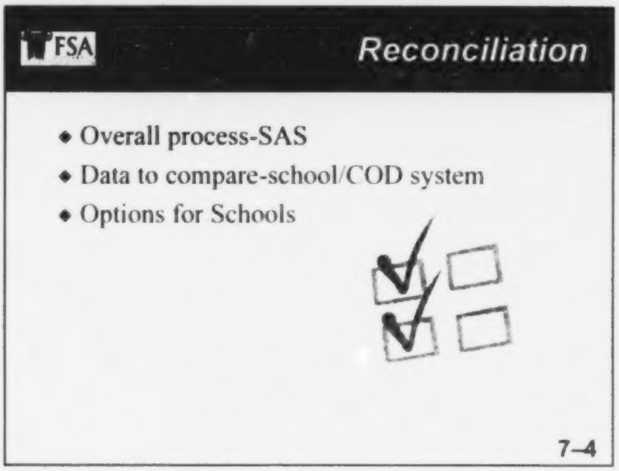
Note: For years 2001-02 and prior, data is on file at the LOC. For 2002-03 and forward, data resides in the COD system.

Reconciliation: A Three-Way Comparison

In reconciling Direct Loan records, there are three sources of information to be compared:

- the school's business office system,
- the school's Direct Loan System, and
- the LOC and/or the COD system.

The COD system provides a monthly School Account Statement (SAS), which is described in the next section, that is a key component in reconciliation. However, it is also important for the school to develop internal procedures to ensure that its business office records and Direct Loan System records are current and accurate. In addition, schools should realize that prompt reporting to the COD system simplifies the reconciliation process, because the SAS reports generated by the COD system will be more likely to match the school's own records.



FSA Reconciliation

- Overall process-SAS
- Data to compare-school/COD system
- Options for Schools

7–4

Reconciliation

Schools must reconcile the Direct Loan records on file at the LOC and/or COD with the school's internal Direct Loan records. This process is Reconciliation and must be performed on a monthly basis.

Note: *Starting in 2002–2003, the 732 report and the DLSAS report are merged into a single report. This report is called the School Account Statement (SAS).*

There are a number of tools available to assist schools with the reconciliation process. The COD system generates various reports such as the 30-day Warning report and you can generate reports in EDExpress such as the List Status Report. These and other reports are described in Session 8, Lesson 1. Information about some web sites that are useful to schools can be found in Session 8, Lesson 2. The remainder of this session will focus on the SAS, and a software package called DL Tools.

School Account Statement (SAS) (DSDF03OP or DSLF03OP)

On a monthly basis, the COD system sends a Direct Loan School Account Statement to each participating school in the Direct Loan program. This electronic file must be imported into DL Tools for Windows version 2.0 for formatted printing and ease of use. The SAS contains the following files:

- Year-To-Date Cash Summary
- Year-To-Date Disbursement Summary by Loan Type
- Monthly Cash Summary
- Monthly Disbursement Summary by Loan Type
- The Cash Detail section is optional. The default setting is for schools to receive Monthly Cash Detail. Schools may change this default to receive monthly Cash Detail, year-to-date Cash Detail, or no Cash Detail.
- The Loan Detail section is optional. The default setting is to receive monthly Disbursement Level Detail (without loan summary). Schools can change the default setting to receive No Loan Detail, year-to-date Disbursement Level Detail (with loan summary), year-to-date Loan Level Detail, or both year-to-date Disbursement and Loan Level Detail.

Each school is responsible for reviewing the monthly statement to ensure the accuracy of the data. This data must also be reconciled to the school's internal student account records and bank records.

Note: The DSDF import file contains disbursement detail data and the DSLF contains loan detail data.

School Report Options

Users of DL Tools should request the COD system to send the SAS files in a fixed length file without a header record. Schools may use the LO Online Web Application to change SAS Report options. These changes may also be made through a Common Origination and Disbursement System Customer Service Representative. Schools may choose when they receive the SAS report. The default setting is to receive the report at the end of the month. Schools may change this default to receive the SAS report on the 15th of the month.

Schools may also choose the format of the SAS report. The default setting is to receive the fixed length file (with no header record). Schools may change this default setting to receive a true ASCII-delimited file. If the school chooses to receive a true ASCII-delimited file, the default setting is to receive a comma-delimited file without headers. Schools may change this default to a pipe-delimited file with headers, a pipe-delimited file without headers or a comma-delimited file with headers.

Note: Delimiters are any valid keyboard characters, inserted between fields in an ASCII file.

Cash Management

A school must maintain accurate accounting processes for recording the receipt of Direct Loan funds from the Department of Education and recording the disbursement of funds to borrowers. Schools receive Direct Loan funds based on one of the following funding methods.

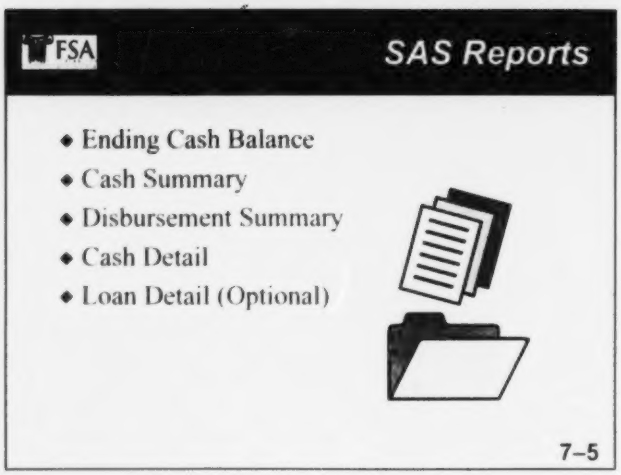
Schools using the **Advance Payment** funding method receive an initial current funding level before submitting disbursements. Accepted disbursements may increase or decrease the current funding level.

Schools using the **Pushed Cash** funding method have cash payments pushed to the school's bank account based on accepted disbursement records.

Schools using the **Cash Monitoring 1 (CM1)** payment method can opt to either have all funds pushed or the school may initiate all drawdown requests. A school will use CM1 if they have been assigned this method by the Case Management and Oversight division.

With **Cash Monitoring 2 (CM 2)** and **Reimbursement** funding methods, Case Management initiates all drawdown requests.

Schools must reconcile their own Direct Loan accounts, including their cash balances, to make sure they account for all drawdowns, disbursements, and returns of cash. This means maintaining accounting records of all loan activities and, at least monthly, verifying that all drawdowns have resulted in either a disbursement or a return of excess cash. In addition, good cash management is indicated by the timely reporting of disbursements, adjustments, and cancellations to the LOC and/or COD. According to regulations, timely reporting means reporting within 30 days of the date of the disbursement.



FSA

SAS Reports

- Ending Cash Balance
- Cash Summary
- Disbursement Summary
- Cash Detail
- Loan Detail (Optional)

7-5

SAS Reports

Ending Cash Balance

The ending cash balance on the SAS represents the Department of Education's official cash balance for the school. It is the responsibility of the school to verify that balance with the school's internal records and to correct any discrepancies. At the conclusion of a school's processing for an academic year, the ending cash balance for a school should be zero. School cash receipts (or drawdowns) should equal disbursements and returned excess cash.

A separate SAS is sent monthly for each academic year that the school participates in the Direct Loan Program, until that academic year is closed out as directed by the Department. Since it is possible that up to three academic years may be open at one time, a school may receive up to three statements for each month.

Each SAS file contains seven types of reconciliation data, each with a different record layout. The seven sections of the SAS are:

We will discuss the SAS in more detail in the next lesson.

Cash Summary

The Cash Summary for each month begins with the ending cash balance from the previous month. At the beginning of each academic year, the beginning cash balance is zero.

The Cash Summary provides the total of all cash receipts received by the school during the month as reported to the COD system by the Department of Education's Grants Administration and Payment System (GAPS). It also provides the total amount of excess cash returned by the school and received by the COD system during the month. Cash receipts are included in the statement for the month the school received the drawdown. Return of excess cash transactions are also included on the statement for the month in which the excess cash was received by the COD system. The Total Net Cash Receipts reports the difference between reported cash receipts (drawdowns) and reported returns of excess cash.

The Cash Summary also provides totals for all actual disbursements and adjustments acknowledged by the COD system during the month for booked loans only. Disbursement transactions are included on the statement for the month in which the transaction was acknowledged by the COD system, regardless of the date of the transaction. For example, a disbursement dated September 30 that is received and acknowledged by the COD system on October 2 is included in the October SAS.

The Total Booked Loan Detail reports the sum of Net Booked Disbursements and Net Booked Adjustments. The ending cash balance indicates the cash balance at the end of each month for all cash transactions and disbursement transactions for booked loans.

The Cash Summary also summarizes all accepted net disbursements and net adjustments reported by the school to the COD system for loans that have not booked by the end of the month.

Disbursement Summary by Loan Type

The Disbursement Summary by Loan Type contains disbursement totals for subsidized, unsubsidized, and PLUS loans, as well as a combined total for all loan types.

Cash Detail

The Cash Detail part of the SAS lists individual cash receipts and returns of excess cash by date. Information in the cash detail section should be compared with the school's internal records and bank statements. The COD system obtains this information directly from GAPS for drawdowns and the COD system's own records for excess cash returned.

Cash Detail records are sorted in ascending transaction date order. Cash receipts, if available, contain a GAPS control (#) number. Returns of excess cash, if available, contain a check (#) number or a GAPS control (#) number.

Loan Detail (Optional)

Schools have the option of receiving only the Cash summary and Cash Detail portions of the SAS (i.e., without loan detail records). If you decide not to receive the loan detail on a regular basis, you can request the loan detail for any previous monthly statement by calling your COD customer service representative. You can also request unbooked loan detail records only.

The SAS file includes the following information for schools who choose to receive loan detail:

- Booked disbursement transactions acknowledged during the month, sorted by Loan ID.
- Accepted but unbooked disbursement transactions for the academic year as of the end of the monthly statement.
- Disbursement Booked Date in the COD system.

Note: Adjusted Disbursement Date transactions ("Q" transactions) are NOT reported on the SAS.

Version 2.0
7-6

DL Tools for Windows

DL Tools for Windows is a stand-alone software product provided at no charge from the U.S. Department of Education. DL Tools is one of the components of EDE Suite. The application fully integrates with and has the same look and feel as EDExpress. It is designed to be useful for all Direct Loan schools, whether or not the school uses EDExpress.

The software application is available for download at: **http://fsadownload.ed.gov/**

DL Tools Functionalities

DL Tools has three main functionalities.

- Compare the SAS report to actual disbursements recorded in EDExpress or imported external files; and/or compare to DL Tools Cash Database.
- Track cash receipts (drawdowns) and returns of excess cash for Direct Loans as reported in GAPS using DL Tools Cash Management functionality.
- Rebuild loan and disbursement data in EDExpress in an automated fashion. (Schools not using EDExpress can download the rebuild file if they install the EDExpress software. They could then use EDExpress' external export feature to send a file to their school system. DL Tools will not perform the rebuild database for non-EDExpress systems.)

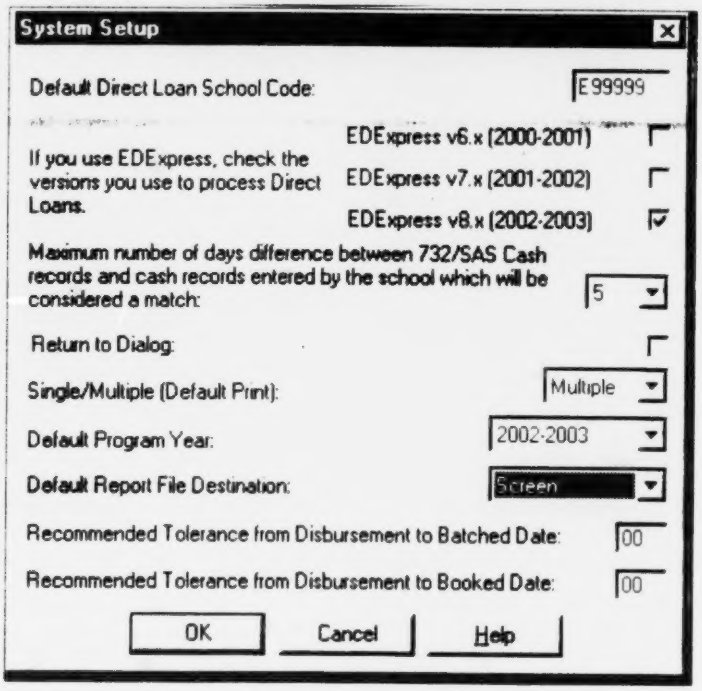
These features will be covered in more detail in Lesson 2 and Lesson 3.

Note: Version 1.0 was released in June 2001. Version 2.0 is scheduled for June 2002 release

Instructor Demonstration: DL Tools Setup

In this demonstration, we setup Direct Loan School Code E99999 to use DL Tools in conjunction with EDExpress version 8.1.

Step	Action
1	Select **Tools/Setup/System** from the menu bar. The System Setup dialog box displays.
2	Enter Default Direct Loan School Code **E99999.**
3	If you use EDExpress, check the versions you use to process Direct Loans. In this case, check the box for: **EDExpress v8.x (2002–2003)**.
4	School estimates a 5-day window as the "Maximum number of days difference between 732/SAS Cash Records and cash records entered by the school which will be considered a match." Enter **5.**
5	Leave "Return to Dialog" box unchecked and change "Single/Multiple (Default Print)" to **Multiple**. Default Program Year: **2002–2003.**
6	Default Report File Destination: **Screen**. Recommended Tolerances from Disbursement to Batched and Booked Date: leave at default settings of **00** and **00**.
7	Click **OK**.



Default Direct Loan School Code: E99999

If you use EDExpress, check the versions you use to process Direct Loans.

☐ EDExpress v6.x (2000-2001)
☐ EDExpress v7.x (2001-2002)
☑ EDExpress v8.x (2002-2003)

Maximum number of days difference between 732/SAS Cash records and cash records entered by the school which will be considered a match: 5

Return to Dialog: ☐

Single/Multiple (Default Print): Multiple

Default Program Year: 2002-2003

Default Report File Destination: Screen

Recommended Tolerance from Disbursement to Batched Date: 00

Recommended Tolerance from Disbursement to Booked Date: 00

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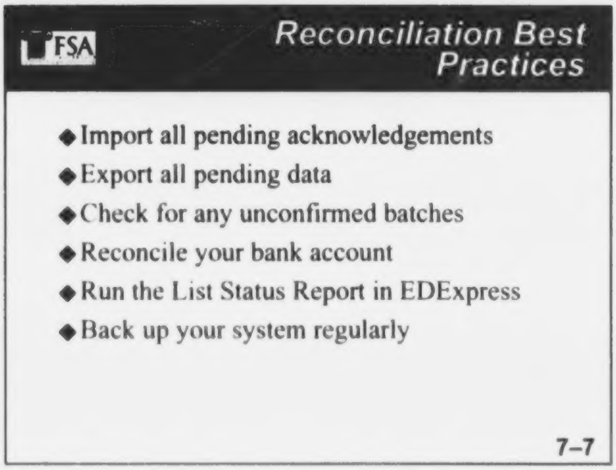


FSA

Reconciliation Best Practices

◆Import all pending acknowledgements
◆Export all pending data
◆Check for any unconfirmed batches
◆Reconcile your bank account
◆Run the List Status Report in EDExpress
◆Back up your system regularly

7–7

Reconciliation Best Practices

- Develop a processing schedule of when you import and export various types of files on a regularly scheduled basis
- Import all pending acknowledgements. Receive and import all full origination acknowledgements, all promissory note acknowledgements, and all disbursement acknowledgements. Also, import the Booking Status Notification (DIOD03OP, Batch type #B) to update the booked status and booked date for each loan booked at the COD system.
- Export all pending data. Export and transmit all full loan origination records. Mail promissory notes with the shipping manifest. Export and transmit all disbursement records, including adjustments.
- Allow enough time for pending items to return acknowledged from the LOC and/or the COD system (a wait of five business days is recommended).
- Check your batch activity list for any unconfirmed batches. Import missing acknowledgements.
- Reconcile your bank account. Review cash receipts (drawdown) and return of excess cash activity in your internal accounting system with your school's bank account.
- Run the List Status Report (v8.1) in EDExpress. This report provides a review of booked and unbooked records on the database. It can be used to compare EDExpress Direct Loan data with COD system data received in the SAS.
- Back up your system regularly. You should also back up before any major processing task, such as running the Status Measurement Tool. Check your backup to ensure that your data is backing up properly.

Lesson 1 Activity

TRUE or FALSE:

_____ Reconciliation is the process by which a school matches its Direct Loan records with the COD system.

_____ The SAS contains six types of reconciliation data.

_____ The SAS Loan Detail report is optional, and contains only booked adjustments.

_____ The List Status Report lists booked and unbooked records.

_____ Program year close-out is complete when the school and the COD System show a cash balance that is within $1000 of each other.

Session 7— Reconciliation and DL Tools

Lesson 2: Cash Management/ Compare Program

Lesson 2 Objectives

- View cash management functionality- entry and tracking in DL Tools
- View importing an SAS report file into Direct Loan Tools and printing the cash detail comparison
- Describe the compare functionality by comparing the SAS report against a school's Direct Loan Database

Key Terms

732 Report

The 732 Report is a year-to-date report generated by the LOC to report a school's cash detail, loan detail, and cash summary totals for a specific academic year. The report will be sent to schools to close out for 2001-02 and prior years.

School Account Statement (SAS)

A monthly report sent by the COD system listing data on cash balances, cash details, booked loans, and booked and unbooked disbursements transactions. For 2002–03 the former 732 report and DLSAS reports are merged into the SAS.

External Data File

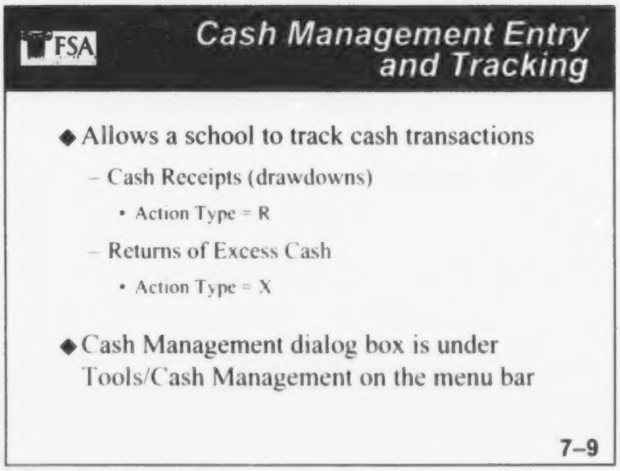
The External Data file is an electronic data file generated by an external system, mainframe, or other software, to be imported into EDExpress.

Excess Cash

Any amount of Title IV program funds (other than FFEL Program or Federal Perkins Loan Program funds) that a school does not disburse according to regulations.

Drawdown of Funds (Cash Receipts)

The process schools use to request Title IV funds. In the Direct Loan Program, Advance payment schools make drawdown requests directly to the Grant Administration and Payment System (GAPS). For schools under the Pushed Funding method, the COD system makes the drawdown requests.



FSA

Cash Management Entry and Tracking

- Allows a school to track cash transactions
  - Cash Receipts (drawdowns)
    - Action Type = R
  - Returns of Excess Cash
    - Action Type = X
- Cash Management dialog box is under Tools/Cash Management on the menu bar

7–9

Cash Management Entry and Tracking

Cash Management provides a tracking method for Direct Loan schools to record Cash Receipts (drawdowns) and Returns of Excess Cash made by the school. Drawdowns and returns of excess cash may be entered by the user manually or by importing an External Import Add file.

The Cash Management dialog box allows you to add, delete, save, and retrieve a cash transaction. Entry fields include:

- School Code
- Action Taken (R = cash receipt or X = return of excess cash)
- Date
- Transaction Amount
- Notes field

The Notes field allows you to record text information such as:

- the GAPS control number associated with a drawdown or return of excess cash,
- the check number associated with a return of excess cash, or
- a text comment or description.

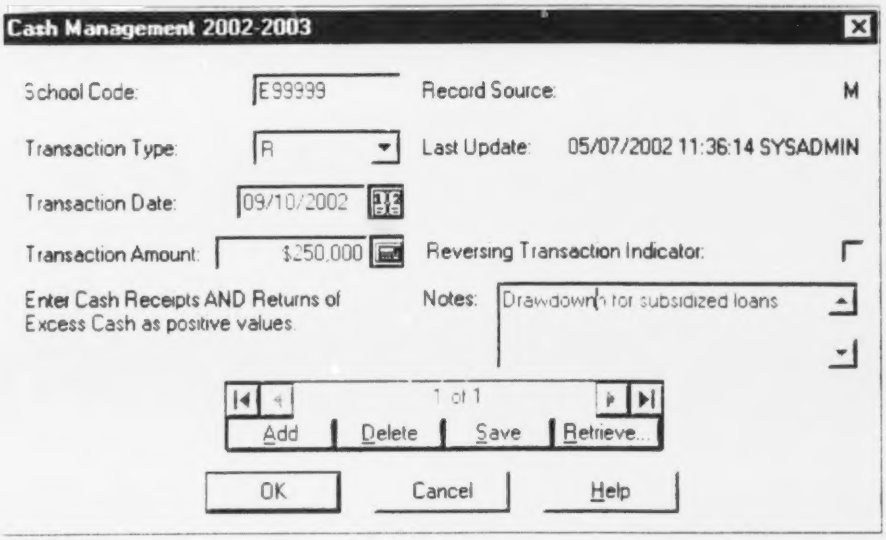
Once a cash transaction is entered and saved, the system generates and displays a Sequence Number, a Record Source of either "M" (Manual) or "E" (External), and Last Updated ID, Date, and Time.

Note: *for 2002–03 enter positive dollar amounts for all transactions (including returns of excess cash).*

Instructor Demonstration: Cash Management Dialog Box

In this demonstration, we enter a drawdown request for $250,000 dated 09/10/2002.

Step	Action
1	From DL Tools for Windows main menu, select **Tools/Cash Management** from the menu bar. The Cash Management dialog box displays.
2	Since we set the Default Direct Loan School Code to E99999 in System Setup, School Code **E99999** displays.
3	The default value, "**R**," displays in the Action Taken field indicating a drawdown transaction.
4	Enter **09102002** in the Date field.
5	Enter **250000** in the Transaction Amount field.
6	In the Notes box enter the comment "**Drawdown for subsidized loans**." Remember that this is a field for you to add any descriptive comment.
7	Click the **Save** button. Click **OK.** Upon saving the record, EDExpress generates the Sequence Number, Record Source, and Last Update ID, date, and time.
8	Click **OK**.
9	To view our entry, select **Tools/Cash Management** from the menu bar. The Cash Management dialog box and the $250,000 drawdown transaction will display. ***Note:*** *The system generates and displays a Record Source of "M" (Manual) and Last Update ID, date, and time.*
10	Click **OK**.



Cash Management 2002-2003

School Code: E99999

Record Source: M

Transaction Type: R

Last Update: 05/07/2002 11:36:14 SYSADMIN

Transaction Date: 09/10/2002

Transaction Amount: $250,000

Reversing Transaction Indicator: ☐

Enter Cash Receipts AND Returns of Excess Cash as positive values.

Notes: Drawdown for subsidized loans

1 of 1
Add
Delete
Save
Retrieve...
OK
Cancel
Help

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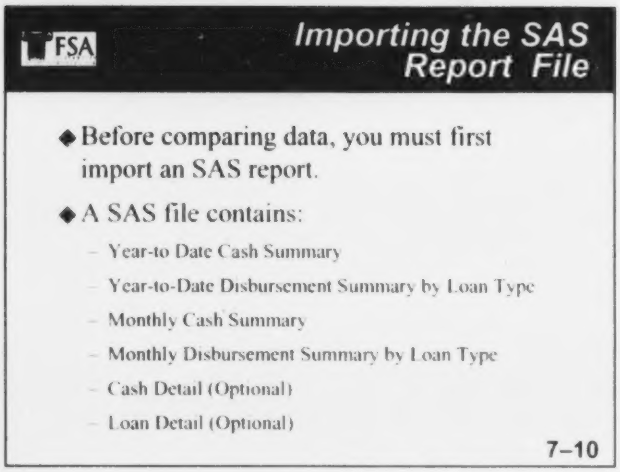


FSA

Importing the SAS Report File

- Before comparing data, you must first import an SAS report.
- A SAS file contains:
  - Year-to Date Cash Summary
  - Year-to-Date Disbursement Summary by Loan Type
  - Monthly Cash Summary
  - Monthly Disbursement Summary by Loan Type
  - Cash Detail (Optional)
  - Loan Detail (Optional)

7–10

Importing the SAS Report File

Before comparing data, you must first import a SAS report for 2002-03 or a 732 Report for 2001-02.

The SAS report can be imported and stored in DL Tools for 2002–2003. Once imported, DL Tools can compare the SAS report data with EDExpress loan detail data and DL Tools cash detail data. In addition, a school with loan detail and cash detail in an external system such as a mainframe or other PC system can import this data into DL Tools to be compared to the SAS.

The SAS report data reflects what is on file at the COD as of the date indicated on the report. Each SAS file contains data for one school code and one academic year.

Each SAS file contains record type sections, each with a different record layout. The sections are:

1. Year-to-Date Cash Summary
2. Monthly Cash Summary
3. Year-to-Date Disbursement Summary (not utilized by DL Tools)
   · Year-to-Date Disbursement Total for Subsidized Loans (YS)
   · Year-to-Date Disbursement Total for Unsubsidized Loans (YU)
   · Year-to-Date Disbursement Summary Total for PLUS Loans (YP)
   · Year-to-Date Disbursement Summary Total for Subsidized/Unsubsidized/PLUS Loans (YT)
4. Monthly Disbursement Summary (not utilized by DL Tools)
   · Monthly Disbursement Summary Total for Subsidized Loans (MS)
   · Monthly Disbursement Summary Total for Unsubsidized Loans (MU)
   · Monthly Disbursement Summary Total for PLUS (MP)
   · Monthly Disbursement Summary Total for Subsidized/Unsubsidized/PLUS Loans (MT)
5. Cash Detail
6. (optional) Loan Detail, Loan Level

7. (optional) Loan Detail, Disbursement Activity Level

Year-to-Date Cash Summary

The YTD Cash Summary contains Cash and Disbursement totals for a school for an entire cycle. Each SAS Cash Summary file contains data for one school code and one cycle year.

Monthly Cash Summary

The Monthly Cash Summary contains Cash and Disbursement totals for a school for the month ending on the End Date indicated in the record. Each SAS Cash Summary file contains data for one school code and one cycle year.

Year-to-Date Disbursement Summary

Data in this section is not imported.

Monthly Disbursement Summary

Data in this section is not imported.

Cash Detail (Year-to-Date)

Each record in this section represents a Cash Receipt (drawdown) or Excess Cash transaction.

Loan Detail, Loan Level (Year-to-Date)

Each record represents a loan and contains a summary of disbursement activity for the Loan.

Loan Detail, Disbursement Activity Level (Year-to-Date)

Each record in this section represents a disbursement transaction for a loan.

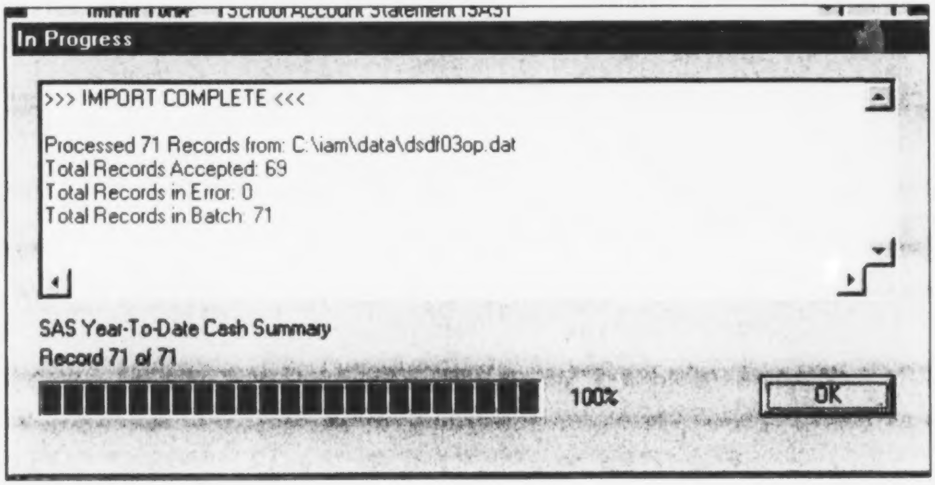
Upon importing the SAS Loan file, a Loan Detail Import Edit report is generated to provide statistics on the import.

***Note**: The Cash Detail section of the SAS report is optional. To run the comparison between SAS report data and DL Tools cash detail data, the school must choose to receive the Cash Detail Section of the SAS report. Schools may use the COD web site to change SAS Report options. These changes may also be made through a Common Origination and Disbursement Customer Service Representative.*

Instructor Demonstration: Importing the School Account Statement (SAS)

In this demonstration we import a School Account Statement into DL Tools.

Step	Action
1	From the main menu bar of DL Tools, select the year **2002–2003.**
2	Click on **File/Import**.
3	Click the **down arrow** in the Import Type box and select **School Account Statement (SAS)**.
4	Click on the **File…** button.
5	Select **DSDF03OP.dat**.
6	Select **Screen**.
7	Click on **OK** to begin the import. A progress bar shows that the import is taking place. Click **OK** when complete.
8	By clicking **Next Page,** you can view the entire report. The first portion of the SAS is the Cash Summary. The second portion is the Cash Detail.
9	Click **Close** to exit the report



```
>>> IMPORT COMPLETE <<<

Processed 71 Records from: C:\iam\data\dsdf03op.dat
Total Records Accepted: 69
Total Records in Error: 0
Total Records in Batch: 71
```

SAS Year-To-Date Cash Summary
Record 71 of 71

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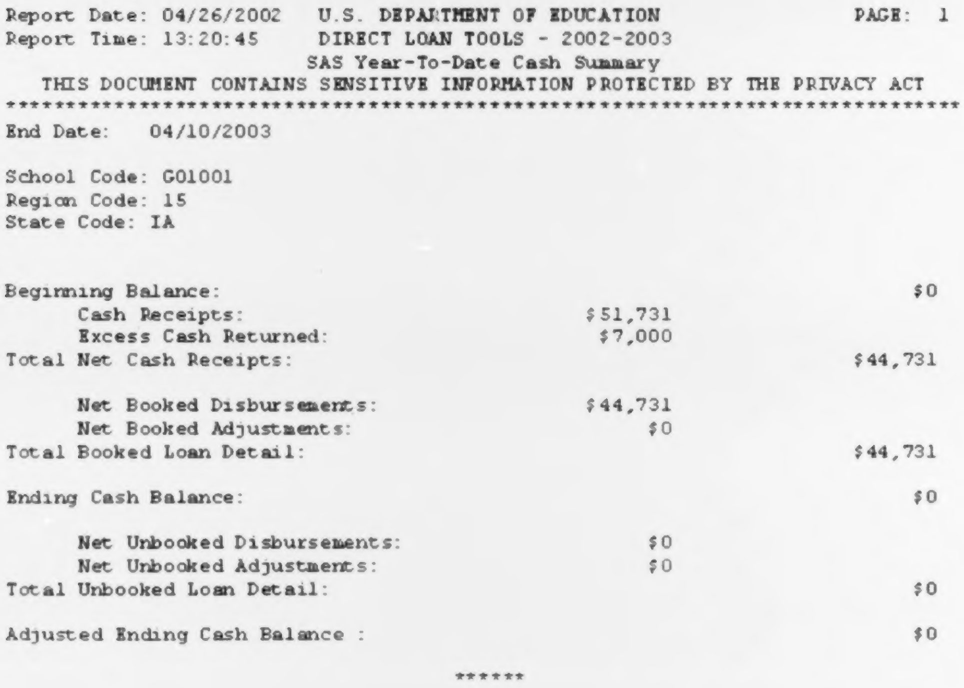
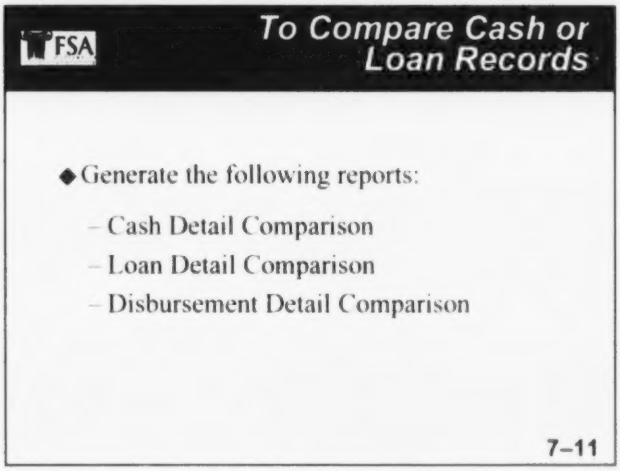


```
Report Date: 04/26/2002   U.S. DEPARTMENT OF EDUCATION                PAGE:  1
Report Time: 13:20:45     DIRECT LOAN TOOLS - 2002-2003
                         SAS Year-To-Date Cash Summary
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************
End Date:   04/10/2003

School Code: G01001
Region Code: 15
State Code: IA


Beginning Balance:                                                          $0
      Cash Receipts:                              $51,731
      Excess Cash Returned:                        $7,000
Total Net Cash Receipts:                                               $44,731

      Net Booked Disbursements:                   $44,731
      Net Booked Adjustments:                          $0
Total Booked Loan Detail:                                              $44,731

Ending Cash Balance:                                                        $0

      Net Unbooked Disbursements:                      $0
      Net Unbooked Adjustments:                        $0
Total Unbooked Loan Detail:                                                 $0

Adjusted Ending Cash Balance :                                              $0

                                        ******
```



FSA

To Compare Cash or Loan Records

- Generate the following reports:
  - Cash Detail Comparison
  - Loan Detail Comparison
  - Disbursement Detail Comparison

7–11

Comparing Records

For 2002–03 you can use DL Tools to compare at the loan level or disbursement level. For 2001–02 you can only compare at the loan level. Your Client Account Manager can provide a tool to help you compare 2000–01 data at the loan level.

To compare the imported SAS report with the loan detail and cash detail records in DL Tools, generate the following two reports:

Cash Detail Comparison Report

The Cash Detail Comparison Report provides a comparison of cash detail records from the SAS file received from the COD with the cash detail records recorded in DL Tools Cash Management. Cash detail records are entered into Cash Management either manually or through an external import.

Loan Detail Comparison Report

Loan Detail Comparison—Loan Level Report provides a comparison of loan detail records from the SAS file received from the COD system with loan detail records imported from an external system or with disbursement records from EDExpress. This report has the option to run for booked disbursement activity, unbooked disbursement activity, or both. Records on the report are grouped by matched/unmatched status and booked/unbooked status.

Disbursement Detail Comparison Report

Disbursement Detail Comparison— Disbursement Level Report provides a comparison of disbursement detail records from the SAS file received from the COD system with disbursement detail records imported from an external system or with disbursement records from EDExpress.

Instructor Demonstration: Printing the Cash Detail Comparison Report

In this demonstration we will print the Compare Cash Details Report from the SAS that was just imported into DL Tools.

Step	Action
1	From the main menu bar of DL Tools, select the year **2002–2003.**
2	Click on **File, Print**.
3	Click the **down arrow** in the Print field and select **Cash Detail Comparison.**
4	Report File Destination to **Screen**.
5	The School Code will populate with the School code entered in Setup.
6	Select Sort order: **Type**.
7	The Match Status and Transaction Type will remain at the default **All**.
8	Keeping the Transaction Date blank will print all records.
9	Click **OK** to print the report.

Lesson 2 Activity

Scenario

School (E99999) is using DL Tools to track cash transactions for 2002-2003. For the month of September, a drawdown request was made and received for $500,000 on September 10, 2002. The school received a GAPS Control Number of 2002091077777 for this transaction. In addition, the school returned a check for excess cash to the COD system on September 30, 2002 for $46,000. The check number was 28001.

Instructions

Log the two cash transactions for the month of September in DL Tools - Cash Management.

Step	Action
1	Select **Tools/Cash Management** from the menu bar. The Cash Management dialog box displays. Click **Add**.
2	Since we set the Default Direct Loan School Code to E99999 in System Setup, School Code **E99999** displays.
3	Since Select "R" is the default value, "**R**" displays in the Action Taken field indicating a drawdown transaction.
4	Enter **09102002** in the Date field.
5	Enter **500000** in the Transaction Amount field.
6	Enter the GAPS Control Number "**2002091077777**" in the notes field. Remember that this is a field for you to add any descriptive comment.
7	Click **Save**. Upon saving the record, EDExpress generates the sequence number, Record Source and Last Update ID, date and time.
8	Click **Add.**
9	Select "**X**" – Return Excess Cash.
10	Enter **09302002** in the Date field.
11	Enter **46000** in the Transaction Amount field.
12	Enter the Check Number "**28001**" in the notes field
13	Click **Save**. Click **OK**.

Session 7—Reconciliation and DL Tools

Lesson 3: Rebuild Process

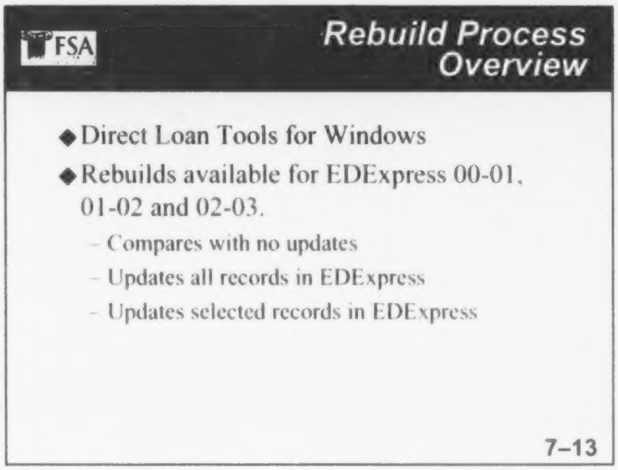
Lesson 3 Objectives

- Explain how and where to request a Rebuild file from the COD system
- Define the different rebuild file request types
- Explain the steps to rebuild a file in EDExpress using DL Tools

Key Term

Rebuild Loan File

A file sent by the COD system, at the school's request, that consists of origination and disbursement details to rebuild the school's Direct Loan database.



FSA

Rebuild Process Overview

- ◆ Direct Loan Tools for Windows
- ◆ Rebuilds available for EDExpress 00-01, 01-02 and 02-03.
  - Compares with no updates
  - Updates all records in EDExpress
  - Updates selected records in EDExpress

7–13

Rebuild Process Overview

The Rebuild functionality assists schools with rebuilding Direct Loan origination and disbursement records in EDExpress 2000–2001 (Version 6.1 or higher), EDExpress 2001–2002 (Version 7.1 or higher), or EDExpress 2002–2003 (Version 8.1 or higher). DL Tools is used in conjunction with a COD Rebuild Loan File. The Rebuild Loan File provides current COD origination and disbursement data to schools electronically and must be requested from the COD system.

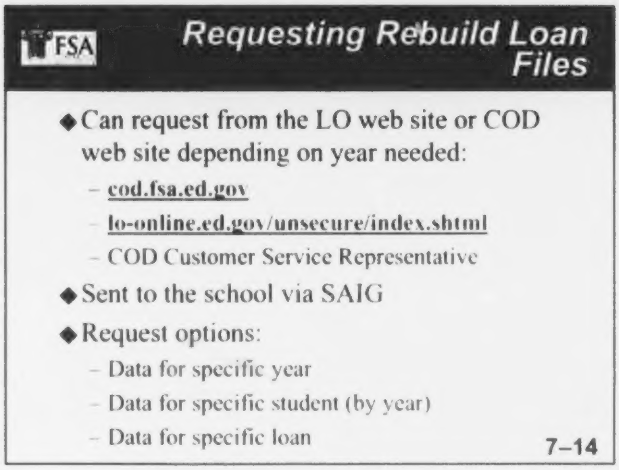
The Rebuild functionality is designed to allow users to:

- Compare records in the Rebuild Loan File to EDExpress records. In the compare process, there are no updates to the EDExpress records with the information in the Rebuild Loan File. A report displays any unmatched origination records and/or unmatched disbursement records.
- Update all EDExpress records with data from an electronic Rebuild Loan File received from the COD system.
- Update selected records in EDExpress with data from a Rebuild Loan File.

If your EDExpress database has become corrupted and a backup of the database is not current, or is not usable, you may request a Rebuild Loan File to rebuild loan and disbursement records.

Rebuild files for 2002-03 are sent to the school from the COD system and any prior year files are sent from the LOC.

Note: *This is not a reconciliation tool. You should continue to reconcile all records using your current reconciliation process.*



FSA

Requesting Rebuild Loan Files

- Can request from the LO web site or COD web site depending on year needed:
  - cod.fsa.ed.gov
  - lo-online.ed.gov/unsecure/index.shtml
  - COD Customer Service Representative
- Sent to the school via SAIG
- Request options:
  - Data for specific year
  - Data for specific student (by year)
  - Data for specific loan

7–14

Requesting Rebuild Loan Files

All schools can request a Rebuild Loan File from the COD Customer Service Representatives by calling **1-800-848-0978** or by entering a request through the LO Online Application/COD Online Application. (lo-online.ed.gov/unsecure/index.shtml) (cod.fsa.ed.gov)

The COD system creates a standard electronic Rebuild Loan File according to the specifications found in the *Direct Loan Technical Reference* and electronically transmits the file to you via the SAIG.

Note: *The electronic Rebuild Loan File can be requested, received and used by all schools to rebuild a Direct Loan database. However, DL Tools can only be used to rebuild an EDExpress Direct Loan database.*

The available rebuild request options are:

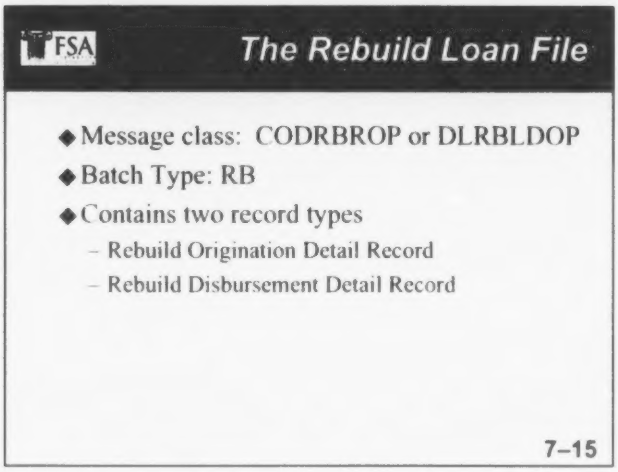
- Data by single or multiple program years (i.e., 2000–2001, 2001–2002, or 2002–2003) (Each Rebuild Loan File is program year specific. For example, data for program year 2000–2001 is in a separate file from data for program year 2001–2002.)
- Data for a specific student by providing both the Social Security Number and date of birth
- Data for a specific loan by providing the 21-character Loan Identifier
- Data by date range (for example, 01/02/2002 to 05/01/2002)

Note: *The request for data by date range is not supported by DL Tools and is not available to EDExpress users.*

Rebuilding Direct Loan and Disbursement Records

Step	Action
1	Select **File/ Import** from the menu bar.
2	Select **2002-2003**. Click the down arrow and select **Rebuild** in the Import Type text box
3	Click the **File** button in the **Import From** box to locate the file to be imported. Select the desired file and click **OK**. DL Tools enters the filename in the text box automatically.
4	Click **Printer, File, or Screen** as the output destination. If you want to send the report to a file, click the File button to locate and name the file, then click **OK**. DL Tools enters the filename in the text box automatically.
5	Click the down arrow in the Rebuild Type text box to display a list of Rebuild options
6	Select **Compare Only, Update Selected Records, or Update All**.

*Note: **"Compare Only"** imports the data from the Rebuild file and compares it to the data in your database. **"Update All"** imports the data from your Rebuild file and overwrites the data in your database.*
***"Update Selected Records"** imports the data from your Rebuild file and only updates those records you checked in the Choose Selected Records dialog box.*



FSA **The Rebuild Loan File**

- Message class: CODRBROP or DLRBLDOP
- Batch Type: RB
- Contains two record types
  - Rebuild Origination Detail Record
  - Rebuild Disbursement Detail Record

7–15

The Rebuild Loan File

The message class or filename for the Rebuild Loan File is DLRBLDOP or CODRBROP. This message class is not year-specific. The message class or filename for 2000–2001 and 2001-02 is DLRBLDOP and the message class for 2002–2003 is CODRBROP. The cycle year within the batch ID identifies the program year of the data included in the Rebuild Loan File. The Batch Type for this file is RB.

The Rebuild Loan File consists of the following two record types:

- Rebuild Origination Detail Record (Record Type = O)
- Rebuild Disbursement Detail Record (Record Type = D)

Only data accepted by the COD system for Full Loan Origination, Loan Origination Change, and Disbursement records are included in the Rebuild Loan File.

The rebuild loan file is available to all schools. You can import it into DLTools to create an EDExpress 2000–01, 2001–02 or 2002–03 Direct Loan database.

FSA

Rebuild Origination Detail Record

- Rebuild Origination Detail Record Layout:
  - Field #1: Record Type O (Origination)
  - Field #2: Loan ID

7–16

Rebuild Origination Detail Record

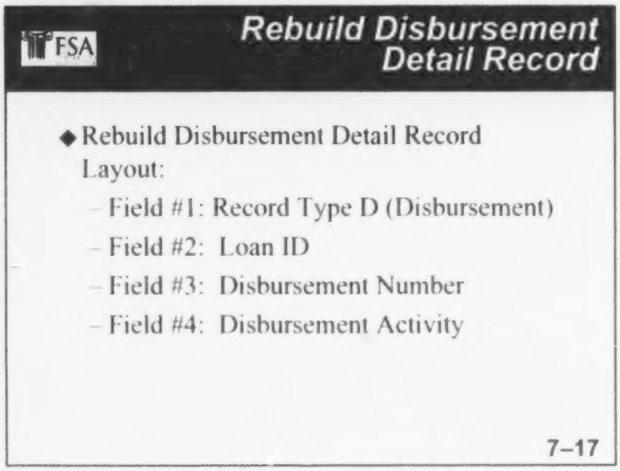
The Rebuild Origination Detail Record provides the most current loan information at the LOC and / or COD, including accepted changes to loan data.

Additional information included on the Rebuild Origination Detail Record is the Credit Decision Indicator (PLUS), Promissory Note Status (PLUS), MPN Status, MPN Indicator, and MPN ID.

Rebuild Origination Detail Record Layout

The first two fields of the Rebuild Origination Detail Record Layout identify the type of record and the specific record to be rebuilt or compared. When a loan origination record is to be rebuilt, these fields contain the following:

- Field #1 indicates the Record Type of O.
- Field #2 is the loan ID of the detail record.



FSA

Rebuild Disbursement Detail Record

- Rebuild Disbursement Detail Record Layout:
  - Field #1: Record Type D (Disbursement)
  - Field #2: Loan ID
  - Field #3: Disbursement Number
  - Field #4: Disbursement Activity

7–17

Rebuild Disbursement Detail Record

The Rebuild Disbursement Detail Record provides all disbursement activity transactions on file in the COD system that match your request. These disbursement activity transactions include:

- Actual Disbursement (Disbursement Activity = D)
- Adjusted Disbursement Amount (Disbursement Activity = A)
- Adjusted Disbursement Date (Disbursement Activity = Q)

The Rebuild Disbursement Detail Record also includes the LOC and/ or COD's total net booked loan amount and the LOC and/or COD's Booked Date.

Note: *Manual disbursement adjustments performed at the LOC and /or COD are also included in the Rebuild Disbursement Detail Record in the Rebuild Loan File.*

Rebuild Disbursement Detail Record Layout

The first four fields of the Rebuild Disbursement Detail Record Layout provide the type of record and identifies which disbursement detail record is to be rebuilt or compared for a particular loan ID.

- Field #1 of the Rebuild Disbursement Detail Record Layout indicates the Record Type of D.
- Field #2 indicates the Loan ID.
- Field #3 indicates the disbursement number to be rebuilt or compared.
- Field #4 indicates the type of disbursement activity for that transaction.

Sample Rebuild - Compare Only

```
Report Date: 01/04/2003     U.S. Department of Education                   Page:  1
Report Time: 10:15:22      DIRECT LOAN TOOLS - 2002-2003
                             Rebuild - Compare Only
      THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
**********************************************************************************
*
School Code:  E99999

Rebuild Type: Program Year

UNMATCHED ORIGINATION

Loan ID                                               Orig   MPN/Prom    PLUS
Student's Name                      Source   LAA      Stat   Note Stat   Credit
---------------------------------   ------   ------   ----   ---------   ------
126815096S03E99999001               COD       6,250    A         A
HOMER, SIMPSON A.                   SCHOOL    5,500    A         A

177154236U03E99999001               COD       6,250    A         A
BOUVIER, PATTY B.                   SCHOOL    5,500    A         A

171847960P03E99999001               COD       7,250    A         A         A
POWELL, HERBERT J.                  SCHOOL    7,250    A         A         D

194740951U03E99999001               COD
SKINNER, SEYMOUR K.                 SCHOOL    5,500    A         A

TOTAL REBUILD ORIGINATION RECORDS READ:          4
TOTAL EDEXPRESS ORIGINATION RECORDS READ:        4
TOTAL ORIGINATION RECORDS NOT MATCHED:           3
TOTAL ORIGINATION RECORDS MATCHED:               1
```

```
Report Date: 01/04/2003        U.S. Department of Education                 Page:  1
Report Time: 10:15:22         DIRECT LOAN TOOLS - 2002-2003
                                Rebuild - Compare Only
      THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*********************************************************************************
School Code:  E99999

Rebuild Type: Program Year

UNMATCHED DISBURSEMENTS
                                                      Disb
Loan ID                                        Disb#  Type/ Gross   Disb        Booked
Student's Name                          Source Seq#   Stat  Amount  Date        Date
--------------------------------        ------ -----  ----  ------  ----------  ---------
123456789S03E99999001                   COD    01/01  D  A   1,200  08/01/2002 08/02/2002
GARNER, JAMES                           SCHOOL 01/01  D  A   1,200

123456789U03E99999001                   COD    01/02  D  A   5,200  10/01/2002 10/01/2002
MILLS, ERIE                             SCHOOL 01/02  D  B   5,200

123456789P03E99999001                   COD
GOODE, JOHNNIE B.                       SCHOOL 01/01  Q  B       0  11/15/2002

223456789U03E99999002                   COD    01/01  D  A   5,200  10/01/2002 10/05/2002
KING, BEE B.                            SCHOOL

TOTAL REBUILD DISBURSEMENT RECORDS READ:      4
TOTAL EDEXPRESS DISBURSEMENT RECORDS READ:    4
TOTAL DISBURSEMENT RECORDS NOT MATCHED:       4
TOTAL DISBURSEMENT RECORDS MATCHED:           0

                                        ******
```

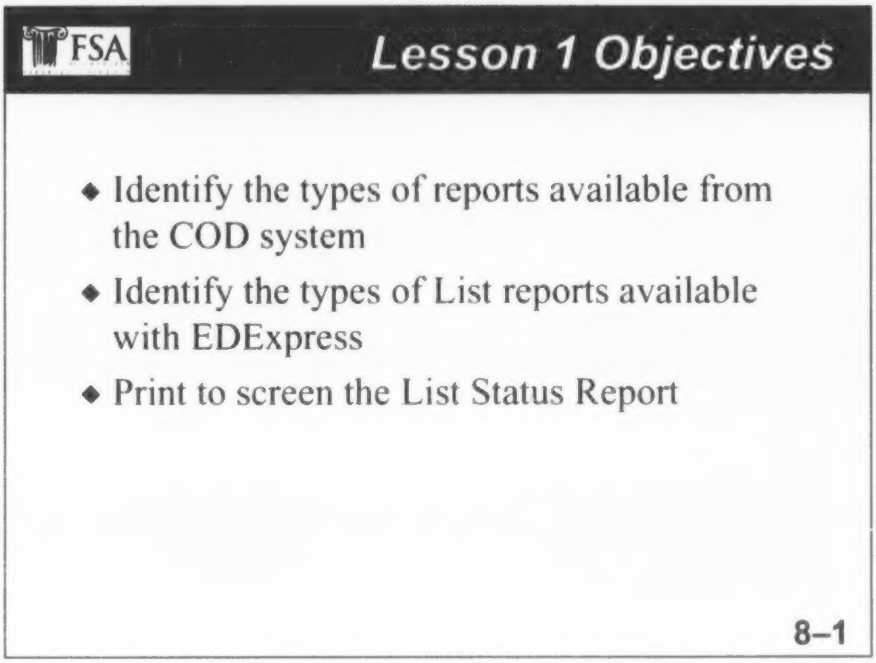
Session 8: Reports and Resources

Lesson 1—Available Reports

Lesson 2—Direct Loan Web sites
and Other Resources

Session 8—Reports and Resources

Lesson 1: Available Reports



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Lesson 1 Objectives

- Identify the types of reports available from the COD system
- Identify the types of List reports available with EDExpress
- Print to screen the List Status Report

8–1

Key Terms

List Reports

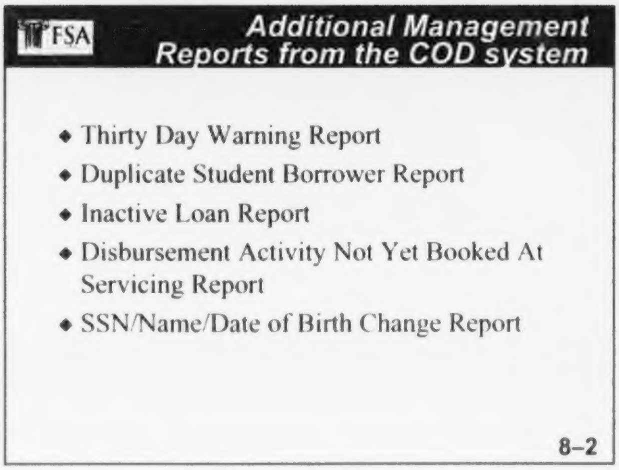
The List Reports assist you in evaluating your school's own Direct Loan Program procedures and policies. These reports assist schools with monitoring current operations, procedures, and program status. Your school decides which reports to use, when to run them, and what action to take as a result. You can use them to review progress as part of continuous improvement.

Comma-delimited

A record format in which data elements within a record are separated by commas.

ASCII

American Standard Code for Information Interchange, or ASCII, is the code that most computers use to represent text, so data can be transferred from one computer to another. Text editors and word processors can store data in ASCII format.



Additional Management Reports from the COD system

- Thirty Day Warning Report
- Duplicate Student Borrower Report
- Inactive Loan Report
- Disbursement Activity Not Yet Booked At Servicing Report
- SSN/Name/Date of Birth Change Report

8–2

Additional Management Reports from COD

The Common Origination and Disbursement System (COD) generates and sends reports to schools through the SAIG mailbox.

Schools have the option to request a school report in either the preformatted or comma-delimited version. You can call your COD Customer Service Representative or use the COD Web site to specify your report option. Unless otherwise specified by the school, the COD system sends the report in the preformatted format.

COD-generated reports are listed below with the preformatted message class listed first and then the comma-delimited.

30-Day Warning Report (DIWR03OP or DIWC03OP)

The 30-Day Warning Report is a file reporting unbooked loans for which COD has not received the three required elements to "book" a loan within 30 days of the first activity. The report lists the Loan ID and the data that is required to book the loan. Loans for which the Loan Amount Approved is adjusted to $0 do not appear on the 30-Day Warning Report. Also, loans that appear on the 30-Day Warning Report for a 90-day period are removed if a Promissory Note or Actual Disbursement has not been received at the COD system.

Schools use this report to check for compliance in reporting disbursements within the 30-day requirement.

Duplicate Student Borrower Report (DUPLPFOP or DUPLCDOP)

The Duplicate Student Borrower Report lists the student borrowers for which COD has accepted multiple Direct Subsidized and/or Unsubsidized loan origination records with the same or overlapping academic years.

Using this report is an effective way to check loan limits across schools.

Inactive Loan Report (DABSPFOP or DABSCDOP)

The Inactive Loan Report is a file listing loans that have been inactivated (adjusted to $0) by the school for the reporting period.

Schools can determine loans at COD that have been reduced to zero. This is an effective way to reverse money already disbursed on these loans.

Disbursement Activity Not Yet Booked At Servicing Report (ED1403OP or DASC03OP)

The Disbursement Activity Not Yet Booked at Servicing Report lists the disbursement transactions that have been booked at COD but have not been booked at Servicing. This report also lists the disbursement transactions that have not been booked at COD because of error transactions received from Servicing.

This report will identify borrowers who have not received a Disclosure from Servicing, yet their loans have booked.

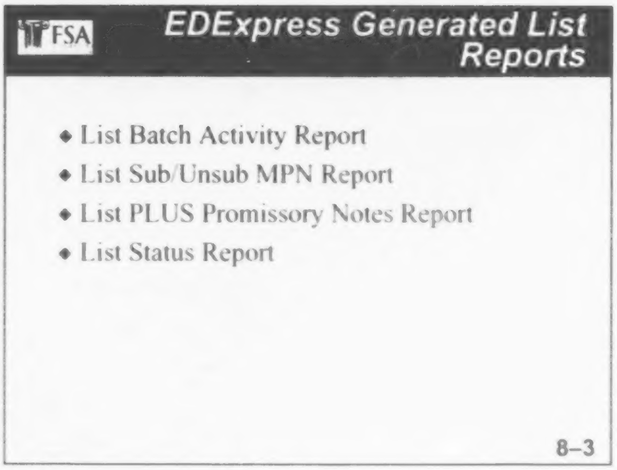
***Note**: EDExpress 8.1 contains message classes ED0303OP, ED0603OP, and ED1403OP for ED initiated versions of the three reports above. Schools will only receive these if the COD system startup is postponed. To delete these message classes from EDExpress. You can remove these Imports from the Global Import dialog by deleting the message classes in Tools | Setup | Global | ED Initiated Imports.*

SSN/Name/Date of Birth Change Report (SNDCPFOP or SNDCCDOP)

The SSN/Name/Date of Birth Change Report lists Social Security Number changes initiated by the school or Servicing, Name changes initiated by the school, and Date of Birth changes initiated by the school

It also indicates SSN changes initiated by the school, but rejected by Servicing.

Using this report assists schools in determining if any changes need to be made on their own system.



EDExpress Generated List Reports

- List Batch Activity Report
- List Sub/Unsub MPN Report
- List PLUS Promissory Notes Report
- List Status Report

8–3

List Batch Activity Report

This report monitors the process of creating, transmitting, and importing batches. School tolerances (or guidelines) are set for the number of days each type of batch should take to complete.

***Note:** When setting these tolerances, keep in mind the COD system's processing time, school procedures for exports and imports, and other specifics associated with your school's communication software/hardware configuration.*

When selecting this report in EDExpress, you must enter a school code. You may also choose to enter a reporting date range, batch type to be included, the option to print only exceptions to the tolerances, and the option to print totals only. If you enter a reporting date range only the batches with a Batched/Print Date within the specified data range print on the report.

Tips

Analysis of the report results provides assistance with identifying possible bottlenecks or inefficiencies in your current procedures. This report can be used as part of a continuous improvement evaluation performed at regular reporting intervals.

There are many variables that can affect transmitting batches to the COD system. If the Batch Activity report shows your process is performing outside of your school's tolerances, you may want to consider:

- Creating procedures for sending and receiving data from the network.
- Putting procedures in place to ensure timely transmission of data.
- Including steps in your procedures for export and import into your system.
- Processing batches efficiently during periods of high volume. You may want to set the report period to evaluate your batch control during these critical processing periods.

List Sub/Unsub MPN Report

This report contains detailed records of all active subsidized and unsubsidized loan records in the database and provides Master Promissory Note (MPN) Status for each loan record. MPN lists are printed by student name and Loan ID(s). Totals are provided for each MPN Status.

In addition, this report monitors the process of receiving signed MPNs from students, updating EDExpress with the date signed, then sending the signed notes with a manifest to the LOC. You determine an acceptable date range and enter it as the tolerance or school guideline. The process time is calculated and averaged over the number of records processed for the reporting period and then compared to your school's tolerance. It is important to monitor this process carefully since the COD system's acceptance of the MPN is a part of a booked loan.

Tips

Before running this report, make sure all Master Promissory Note received and signed dates have been entered, and acknowledgement batches have been processed. Also, take note of the following after running the report:

- Number of MPNs rejected.
- Is there a consistent error that can be corrected that is causing your notes to reject?
- Number of MPNs ready to be printed.
- Based on these numbers, is the frequency of your print schedules adequate?
- Total number of MPNs printed and signed. Based on these numbers, you can project the number of notes and staff needed for future years.

  If the MPN report shows your process is performing outside of the school's tolerances, consider the following:

- How does the volume of MPNs affect your processing?
- What is the most efficient number of MPNs included on a manifest?

***Note**: Do your procedures call for the creation of a manifest based on the number of MPNs ready to be sent or based on the time elapsed since the last manifest?*

List PLUS Promissory Note Report

This report monitors your PLUS Promissory Note process and provides the promissory note status for all active PLUS loan records. The PLUS Promissory Note lists are printed by Student's Name, PLUS Borrower's Name, and Loan ID. Totals are provided for each PLUS Promissory Note Status.

In addition, this process includes receiving signed promissory notes from PLUS borrowers, updating EDExpress with the date signed, then sending the signed notes with a manifest to the LOC. You determine an acceptable date range and enter this date as the tolerance or school guideline. The process time is calculated and averaged over the number of records processed for the reporting period, and then compared to your school's tolerance. It is important to monitor this process carefully since the COD system's acceptance of the promissory note is a part of a booked loan.

***Note**: At the time you select this report in EDExpress you have the option to print just the exceptions (those outside the tolerance range) on the report, select a date range for the reporting period, print totals only, and choose from the standard sort and selection criteria.*

Tips

Take note of the following:

- Number of Rejected PLUS Promissory Notes.
- Is there a consistent error that can be corrected that is causing your notes to reject?
- Number of PLUS Promissory Notes ready to be printed.
- Based on these numbers, is the frequency of your print schedules adequate?

If the PLUS Promissory Note report shows your process is performing outside of the school's tolerance, consider the following:

- How does the volume of notes affect your processing?
- What is the most efficient number of notes included on a manifest?
- Do your procedures call for creation of a manifest based on the number of notes ready to be sent or based on time elapsed since last manifest?

List Status Report

This report provides a review of booked and unbooked records in the database and the credit decision status. This information is separated into a booked section and an unbooked section. When running this report you can specify a disbursement date range for the booked section. To be included in this report, a loan record and at least one actual disbursement record must exist in the database. This report can be manually compared to the COD system data received in the School Account Statement (SAS). Before running this report make sure all booking notification acknowledgements have been imported.

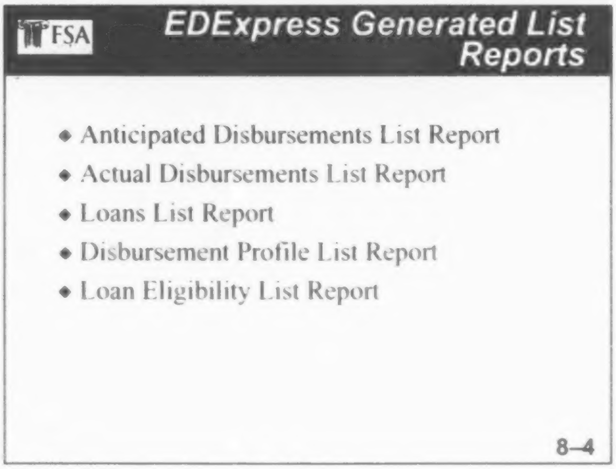
List Status Report (continued)

Tips

This report may be used to identify and resolve disbursement records with booking problems.

For example:

- This report lists disbursement records with all three status flags (origination, promissory note, and disbursement). If one or more of these status flags are not in an "A" status, the school needs to research and resolve those items so the disbursement record can book.
- This report can be used to compare EDExpress Direct Loan data to the COD system data received in the School Account Statement.
- Analyze the bottlenecks in processing. For example, the report indicates a high percentage of records in a B (Batched) status. If a disbursement is in a B (Batched) status, it may mean the school forgot to transmit the batch or import the acknowledgement.



FSA

EDExpress Generated List Reports

- Anticipated Disbursements List Report
- Actual Disbursements List Report
- Loans List Report
- Disbursement Profile List Report
- Loan Eligibility List Report

8–4

Anticipated Disbursements List Report

This report provides a review of loans with an anticipated loan amount, with corresponding actual disbursements or with no actual disbursements. This report also contains the gross, fee, interest rebate, and net amounts. The report prints the Loan ID, Student's Name, PLUS Borrower's Name, Anticipated Disbursement, and, if requested, Actual Disbursement Number(s), Types, and Dates. You can also print the corresponding actuals and pending actuals on the same report.

Tips

This report is a valuable tool for viewing a borrower's anticipated disbursements and anticipated disbursement dates versus a borrower's actual disbursement and disbursement date. The Total Net Anticipated Disbursement Amount can assist in making Drawdown Requests.

Actual Disbursements List Report

This report provides information about actual disbursements. The report prints the Student's Name, PLUS Borrower's Name, Disbursement Batch ID, Current SSN, Disbursement Date, Number, and Action Type, and Net Disbursement Amount. It also displays the Disbursement Status and the Booked Status. The summary totals provide the total net dollar amount for booked and unbooked disbursements, as well as the total net disbursement amount for each student and loan type, PLUS, Subsidized, and Unsubsidized.

Tips

The use of this report assists in monitoring the disbursement and booking activity of loans.

Loans List Report

This report provides a listing of the details of each loan record on your database including Loan ID, Student's Name, PLUS Borrower's Name, Loan Origination Batch ID, Current SSN, Loan Type, Grade Level, Loan Amount Approved, Loan Amount Requested, Loan/Credit Status and Loan Origination Date. Sort options are available to print by SSN, Loan ID, or Last Name. You can print subtotals and totals, or just totals.

Tips

This report can be used to review the status of all loans for a given student and can be useful in determining a student's annual loan limit. The totals on this report allow you to compare the number of loans originated at your school to the number of actual unduplicated loan borrowers.

Disbursement Profile List Report

This report provides a snapshot of your disbursement profiles entered in EDExpress. Listed are the Loan Period start and end dates, academic year start and end dates, and anticipated disbursement dates.

Tips

This report is a valuable tool for reviewing the disbursement profiles as set up by your school. It can assist you in developing the profiles for a new program year and for entry into a new version of the software.

Loan Eligibility List Report

This report allows you to print all the fields in EDExpress affecting a student's loan eligibility for Direct Subsidized and Direct Unsubsidized loans.

Tips

This report is a valuable tool for reviewing your student's eligibility for Direct Loans at your school. It can assist you in determining how much of a loan a student should receive.

Lesson 1 Activity

Scenario

Your director of financial aid would like a monthly and weekly breakdown of all loan records in your system, for dependent and independent students, with the status of origination, promissory note, and disbursement records along with the amount of loan funds disbursed. To comply with her request your office runs reports from EDExpress to present to the director. How would you do this?

Evaluation

1. What type of report should you run? ____
2. Will you need to use a query to pull the population you are looking for?__________ If so, what query will pull the population of students you want to review? ____________________

Instructions

Run the appropriate report, print to the screen, and review the data included on the report.

What information does this report tell you?

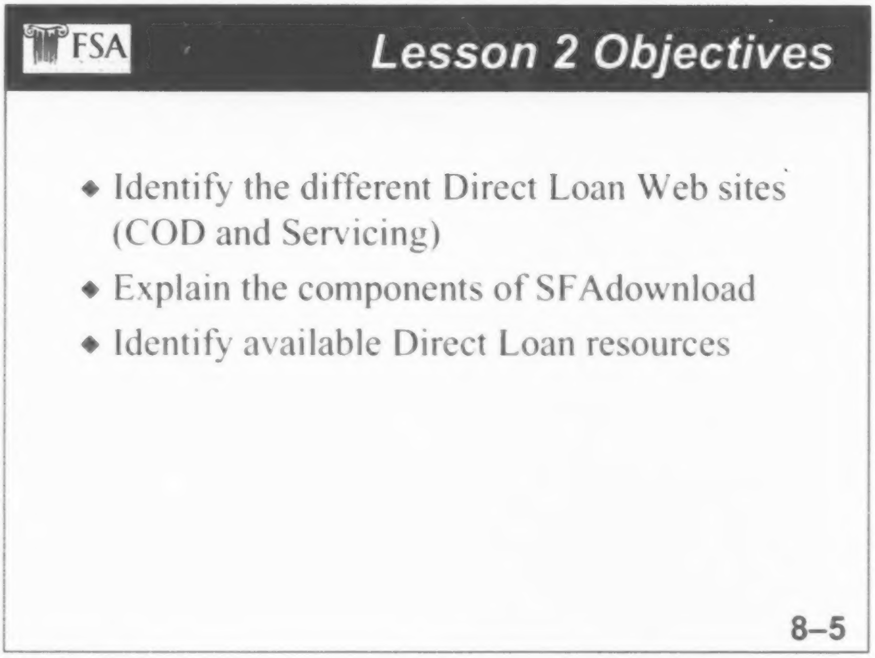
____

____

____

Session 8—Reports and Resources

Lesson 2: Direct Loan Web Sites and Other Resources



Lesson 2 Objectives

- Identify the different Direct Loan Web sites (COD and Servicing)
- Explain the components of SFAdownload
- Identify available Direct Loan resources

Key Terms

Common Origination and Disbursement System

The Common Origination and Disbursement (COD) system processes Federal Direct Loans by providing applicant services, reconciliation, technical support, and production operations.

Direct Loan Servicing Center

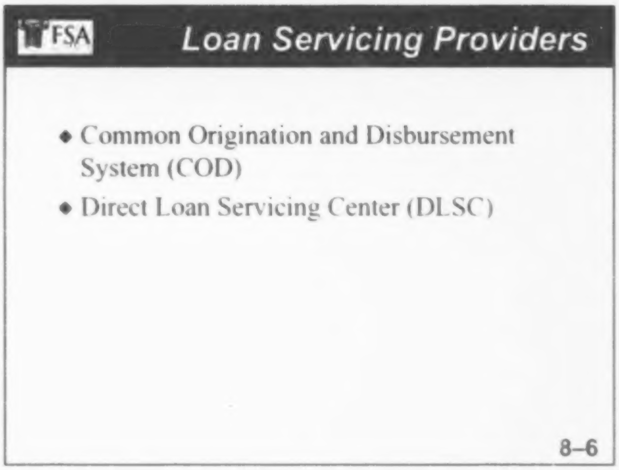
The Direct Loan Servicing Center (DLSC) handles all activity with Direct Loans once they are booked.

Full Participants

Full participants are FSA partners, including schools, who have fully implemented the COD process. They send and receive records to and from the COD system in XML format. These schools have more processing options than their phase-in participant counterparts.

Phase-In Participants

Phase-in participants are FSA partners, including schools, continue to who send and receive Direct Loan and Pell records to and from the COD system in the legacy formats. Until they fully implement the COD process, these schools have fewer processing options than their full participant counterparts.



FSA **Loan Servicing Providers**

- Common Origination and Disbursement System (COD)
- Direct Loan Servicing Center (DLSC)

8–6

Loan Servicing Providers

The Common Origination and Disbursement System (COD) and the Direct Loan Servicing Center (DLSC) are both responsible for loan services. Many of the general responsibilities of the COD system and the DLSC are similar, such as:

- Maintaining audit trails
- Providing accounting support
- Facilitating inquiries from ED and participating schools
- Providing for reporting needs
- Interfacing with other systems
- Providing customer service

The COD system was created to improve service and reduce the administrative costs of all Title IV programs to schools and the federal government. In general, the COD system is responsible for activities associated with a loan until the loan is "booked." The DLSC assumes responsibility for activities after the loan is "booked."

Common Origination and Disbursement System (COD)

Specific responsibilities of the COD system include:

- Processing school and applicant inquiries about the loan application process and promissory note completion.
- Conducting credit checks for Direct PLUS borrowers.
- Maintaining a loan database, including all initial loan originations and changes, corrections, additions, and deletions to the data.
- Reporting loan information to NSLDS and the Direct Loan Servicing Center.
- "Booking" loans when origination records, promissory notes, and initial disbursement records are accepted.

Contacting COD

Borrowers:

For all correspondence concerning the loan application process, borrowers should contact:

Applicant Services
U.S. Department of Education
Direct Loan Origination Center
P.O. Box 5691
Montgomery, AL 36103-5691
800/557-7394
TDD: 800/557-7395

Schools:

For Master Promissory Notes, Direct PLUS application/promissory notes, other origination materials, and counseling materials, contact:

School Relations at COD
Direct Loan Services
P.O. Box 5692
Montgomery, AL 36103-5692
800/848-0978
FAX: 800/557-7396

For overnight/express delivery:

U.S. Department of Education
Loan Origination Center
474 South Court Street, Suite 500
Montgomery, AL 36104

Schools should mail checks for excess cash for years prior to 2002 to the following address:

Direct Loan Services
Attn: Excess Cash
P.O. Box 2011
Montgomery, AL 36102-2011

Excess Cash (Returned Funds) for award years 2002 and later should be sent to:

COD School Relations Center

Attn: Returned Funds

PO Box 9001

Niagara Falls, NY 14303

COD can now field technical questions via the Web. Schools with technical questions can send them to:

loan_origination@mail.eds.com

Use a subject line of "Technical question" and include your name, organization, and a phone number. Answers will be returned within three business days. If an answer cannot be given within three business days, you will be notified.

Loan Servicing Center Borrower Services

Borrower services after the loan is "booked" will be provided by the Direct Loan Servicing Center. Servicing Center activities include:

- Contacting students after initial loan disbursement with additional loan program information.
- Applying accrued and capitalized interest, applying fees, and maintaining borrower account balances.
- Recording all payments received daily, and applying payments to borrower accounts.
- Tracking payments and researching unapplied payments.
- Tracking loans through in-school and in-grace statuses, and converting loans to repayment status.
- Processing deferments and forbearances.
- Reporting loan information to NSLDS.
- Collecting and processing all information required to support the borrower's selection of loan repayment plans.
- Performing comprehensive loan collection activities, including billing, repayment plan counseling, letter writing, telephone calling, skip tracing, and borrower tracking activities.

Contacting the Loan Servicing Center

Borrowers

Borrowers can locate the address and toll-free telephone numbers to the Loan Servicing Center on all correspondence they receive from the DLSC. The general correspondence addresses and toll-free telephone numbers for borrower inquiries are:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609
800/848-0979
TDD 800/848-0983
FAX: 800/848-0984
Delinquent Account/Collections Department: 800/848-0981

Schools

The Direct Loan Servicing Center maintains a toll-free number to support schools: 888/877-7658. Schools may use the address listed above, and address it to School Services Department instead of Borrower Services.

Making Payments

Borrowers should send payments to:

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 530260
Atlanta, GA 30353-0260

The Web site for the Direct Loan Servicing Center can be found at:

www.dlservicer.ed.gov

Schools and borrowers can access the site to find information about loan servicing issues. Using the student's Social Security Number, DOB, and Zip code, schools and students can retrieve student account information.

FSA

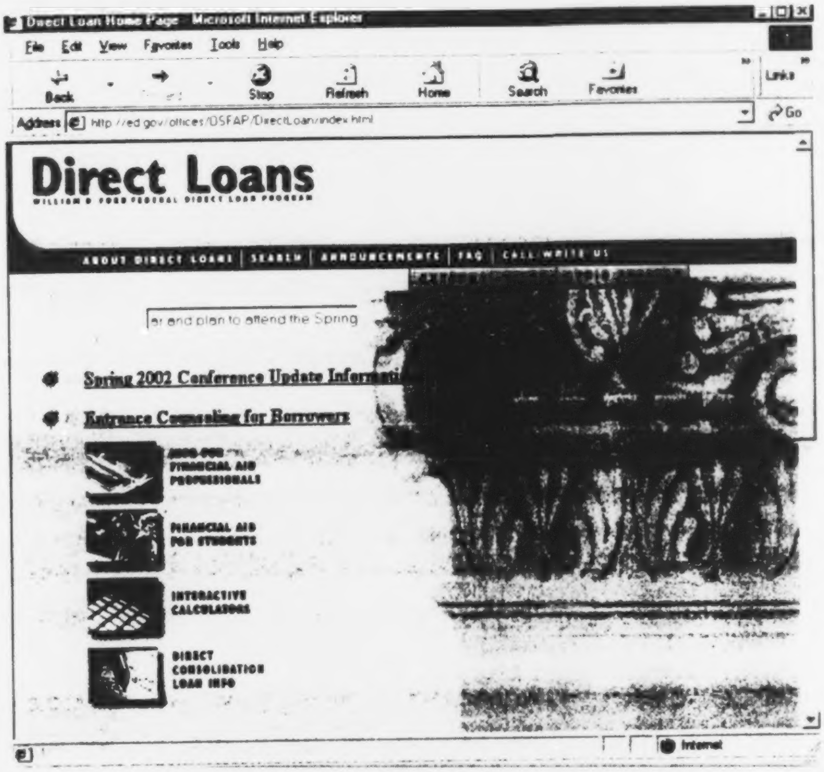
Direct Loan Web Sites

- Direct Loan ed.gov/offices/OSFAP/DirectLoan
- Origination [illegible]
- Servicing dlservicer.ed.gov
- COD http://www.cod.sfa.ed.gov
- Direct Loan School Relations

[illegible]

8–7

Direct Loan Web Sites


Direct Loan Home Page - Microsoft Internet Explorer
File
Edit
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Favorites
Tools
Help
Back
Forward
Stop
Refresh
Home
Search
Favorites
Links
Address
Go
ABOUT DIRECT LOANS
SEARCH
ANNOUNCEMENTS
FAQ
CALL/WRITE US
INFO FOR FINANCIAL AID PROFESSIONALS
FINANCIAL AID FOR STUDENTS
INTERACTIVE CALCULATORS
DIRECT CONSOLIDATION LOAN INFO
Internet

http://ed.gov/offices/OSFAP/DirectLoan/index.html

Direct Loans

WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

er and plan to attend the Spring

- Spring 2002 Conference Update Informati
- Entrance Counseling for Borrowers

Direct Loan ***ed.gov/offices/OSFAP/DirectLoan***

Here one can find quick answers about the Direct Loan Program. The site also provides links for financial aid professionals, as well as students.

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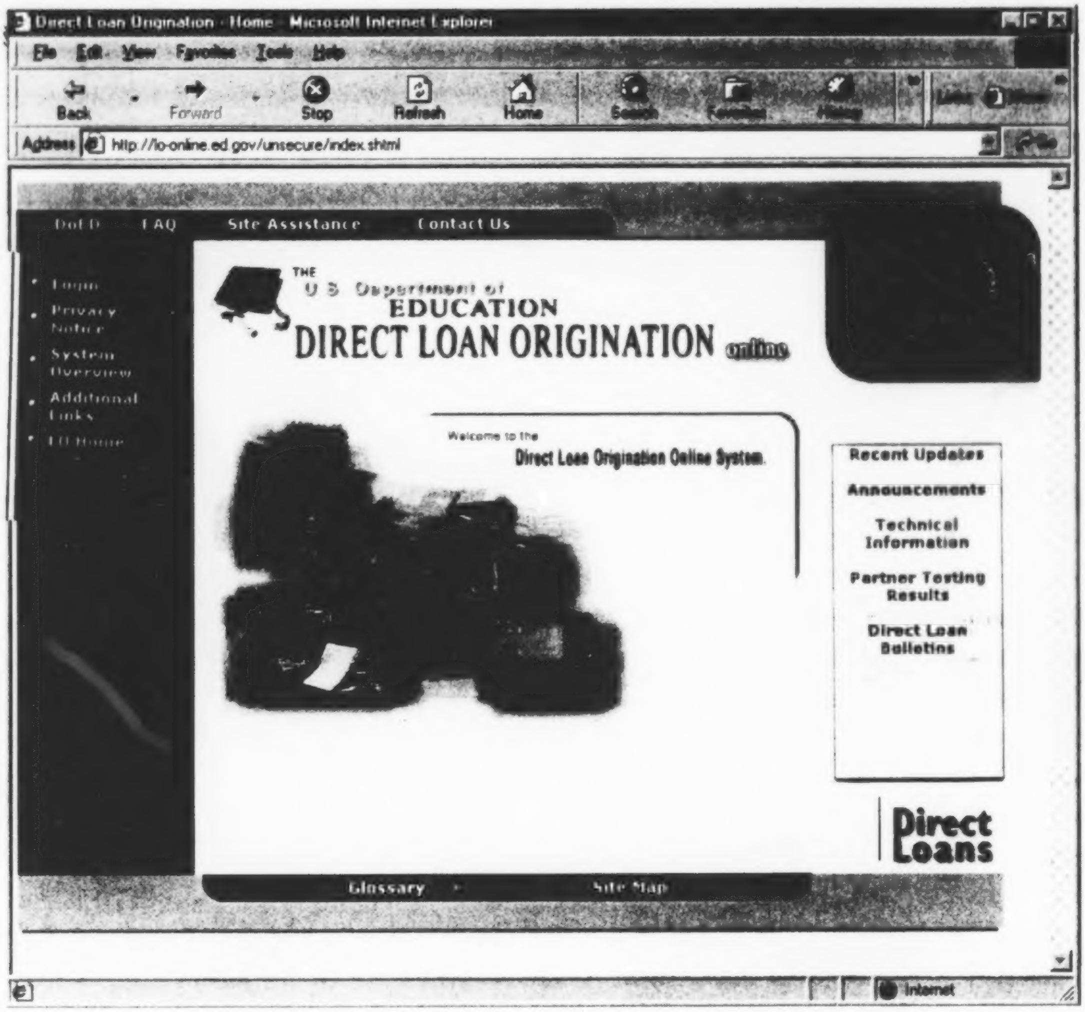
Direct Loan Origination - Home - Microsoft Internet Explorer
File Edit View Favorites Tools Help
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Forward
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Search
Favorites
History
Links
Address
Go
DoED
FAQ
Site Assistance
Contact Us
Login
Privacy Notice
System Overview
Additional Links
ED Home
THE U.S. Department of EDUCATION
DIRECT LOAN ORIGINATION online
Recent Updates
Announcements
Technical Information
Partner Testing Results
Direct Loan Bulletins
Direct Loans
Glossary
Site Map
Internet

http://lo-online.ed.gov/unsecure/index.shtml

Welcome to the Direct Loan Origination Online System.

Origination **lo-online.ed.gov**

The Direct Loan Origination Web site was initiated in late 1999 to help schools participating in the Direct Loan Program monitor origination and disbursement records transmitted to the LOC. When the COD website becomes available most of the data tracking functions will be moved to that Web site.

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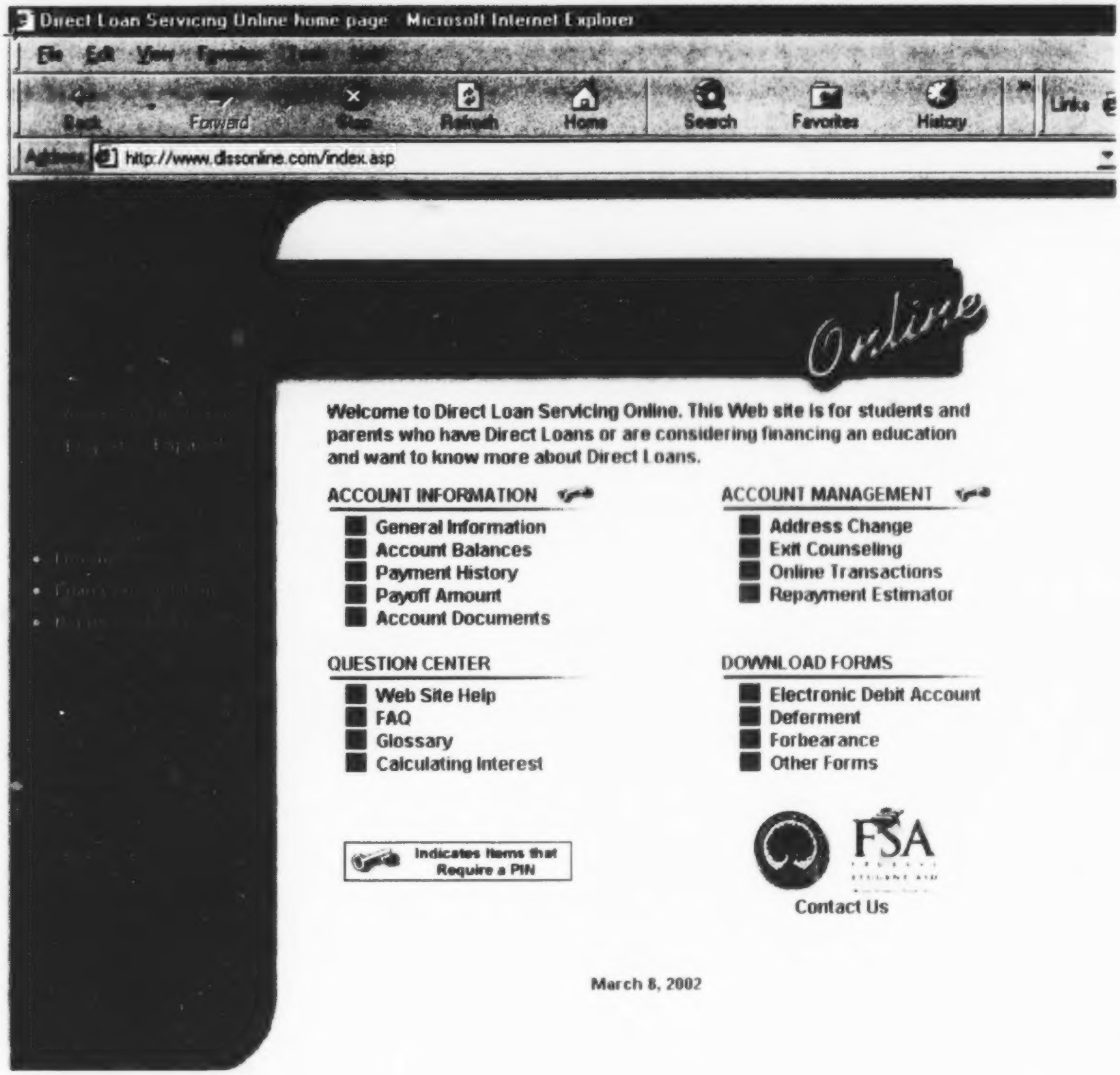

Direct Loan Servicing Online home page - Microsoft Internet Explorer
File
Edit
View
Favorites
Tools
Help
Back
Forward
Stop
Refresh
Home
Search
Favorites
History
Links
Address
Online

http://www.dssonline.com/index.asp

Welcome to Direct Loan Servicing Online. This Web site is for students and parents who have Direct Loans or are considering financing an education and want to know more about Direct Loans.

ACCOUNT INFORMATION

- General Information
- Account Balances
- Payment History
- Payoff Amount
- Account Documents

ACCOUNT MANAGEMENT

- Address Change
- Exit Counseling
- Online Transactions
- Repayment Estimator

QUESTION CENTER

- Web Site Help
- FAQ
- Glossary
- Calculating Interest

DOWNLOAD FORMS

- Electronic Debit Account
- Deferment
- Forbearance
- Other Forms

Indicates Items that Require a PIN

FSA
FEDERAL STUDENT AID

Contact Us

March 8, 2002

Servicing **dlservicer.ed.gov**

The Servicing Web site includes features such as a detailed borrower account history, an online repayment plan and payment due date change option, and an interactive deferment and forbearance determination feature.

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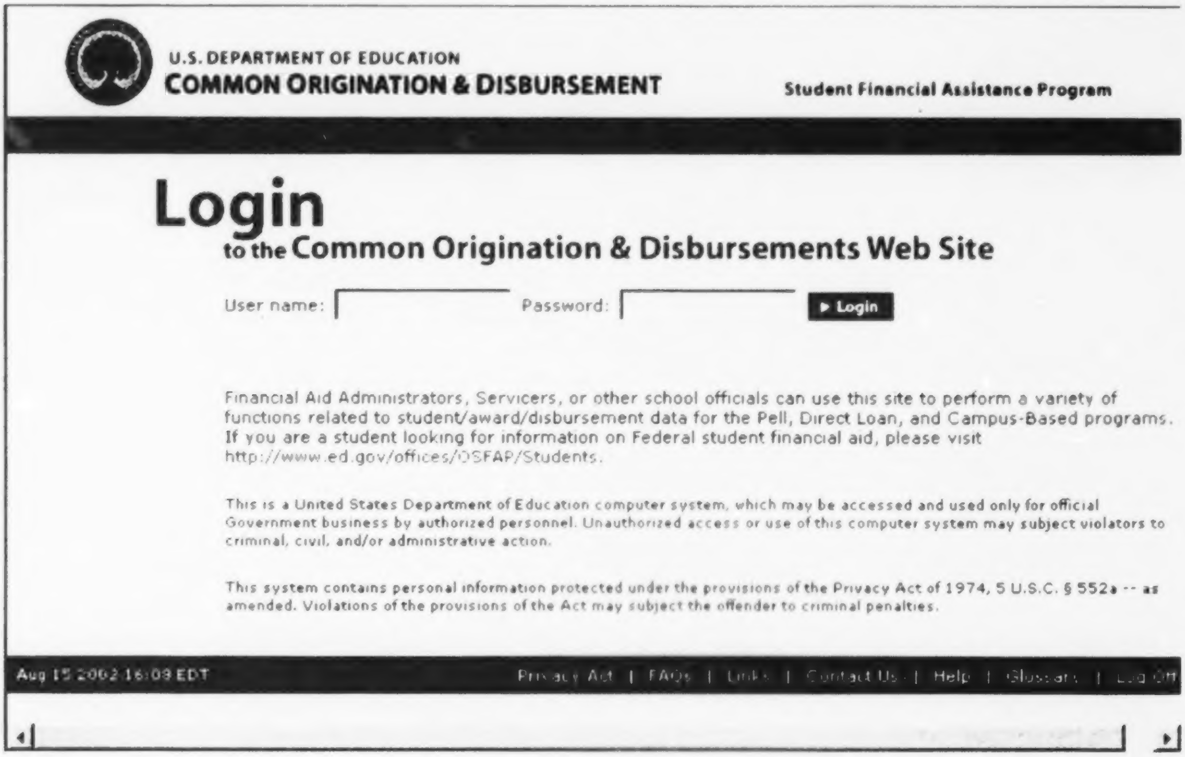

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT
Student Financial Assistance Program
User name:
Password:
▶ Login
Aug 15 2002 16:09 EDT
Privacy Act | FAQs | Links | Contact Us | Help | Glossary | Log Off

Login
to the Common Origination & Disbursements Web Site

Financial Aid Administrators, Servicers, or other school officials can use this site to perform a variety of functions related to student/award/disbursement data for the Pell, Direct Loan, and Campus-Based programs. If you are a student looking for information on Federal student financial aid, please visit http://www.ed.gov/offices/OSFAP/Students.

This is a United States Department of Education computer system, which may be accessed and used only for official Government business by authorized personnel. Unauthorized access or use of this computer system may subject violators to criminal, civil, and/or administrative action.

This system contains personal information protected under the provisions of the Privacy Act of 1974, 5 U.S.C. § 552a -- as amended. Violations of the provisions of the Act may subject the offender to criminal penalties.

COD Web Site **cod.fsa.ed.gov**

Like the entire COD Process and System, the COD Web site becomes operational for Award Year 2002–2003. All 2002–2003 Pell Grant, Direct Loan, and Campus-Based Program data reported to the COD System will be accessible via the COD Web site.

All schools—both Phase-in and Full Participants—have access to the COD Web site to search the database, view records, retrieve report requests, and get other useful information.

- Search for and view data by:
  - Person (student) or Promissory Note
  - School (Common School Identifier *or* Entity ID)
  - Batch (Accepted or Rejected)
  - Award (by program)
  - User (FAA)
- Access various processing statistics by batch:
  - Number of records submitted, accepted, rejected, or corrected
  - Percentage of records rejected by edit type
  - Date and time records were received

BEST COPY AVAILABLE

- View consolidated funding information by award year and program:
  - Dollar total drawn to date by program
  - Number of accepted records to date
  - Progress toward 30-day requirement for substantiating drawdowns
- View and correct rejected records
- View processing errors
- View pending records

Some COD Web site functions, such as entering new records, correcting rejects, and adjusting Direct Loan actual disbursements, are available only to Full Participants. In addition, access to other functions, as well as the processing options set by your school's security administrator, is based on the Web site access assigned to individual users.

Note*: In order to establish an administrator account for the COD Web site, organizations should submit an administrator request letter printed on university or corporate letterhead to the COD Customer Service Center at:*

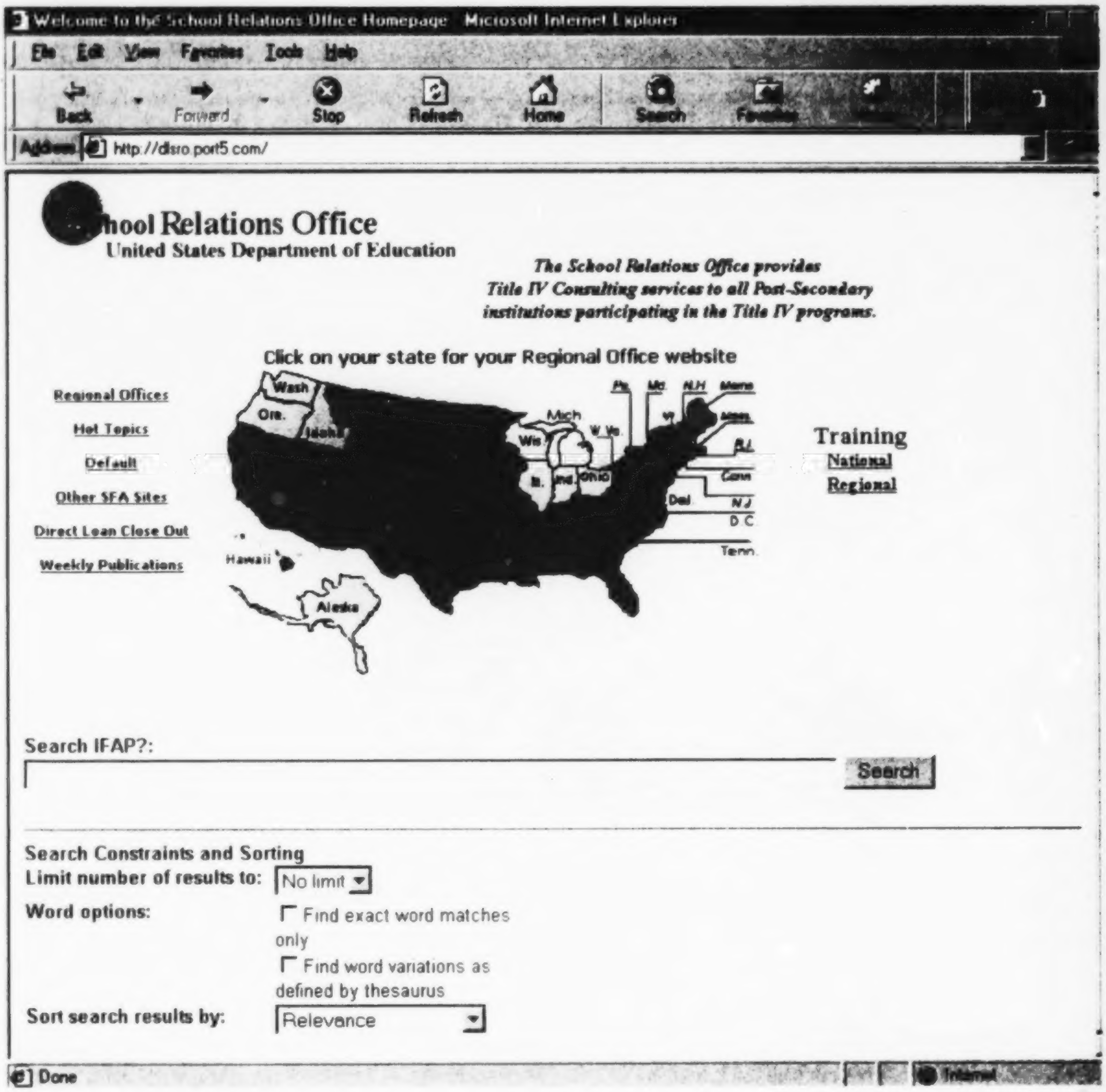
US Department of Education

SFA Customer Service Center

P.O. Box 9003

Niagra Falls, NY 14302

Refer to COD documentation for complete information


Welcome to the School Relations Office Homepage - Microsoft Internet Explorer
File
Edit
View
Favorites
Tools
Help
Back
Forward
Stop
Refresh
Home
Search
Favorites
Address
http://dlsro.port5.com/
Regional Offices
Hot Topics
Default
Other SFA Sites
Direct Loan Close Out
Weekly Publications
Wash
Ore.
Idaho
Mich
Wis
Ill.
Ind.
Ohio
W. Va.
Pa.
Md.
N.H.
Maine
Vt.
Mass.
R.I.
Conn
Del
NJ
D.C.
Tenn.
Hawaii
Alaska
Training
National
Regional
Search
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Internet

hool Relations Office
United States Department of Education

The School Relations Office provides Title IV Consulting services to all Post-Secondary institutions participating in the Title IV programs.

Click on your state for your Regional Office website

Search IFAP?:

Search Constraints and Sorting
Limit number of results to: No limit
Word options: ☐ Find exact word matches only
☐ Find word variations as defined by thesaurus
Sort search results by: Relevance

Direct Loan School Relations Office **dlsro.port5.com**

On this Web site, individuals can access information from their local School Relations Office. Features include names, numbers, and email links of Direct Loan Account Managers, as well as regional training information and offerings.

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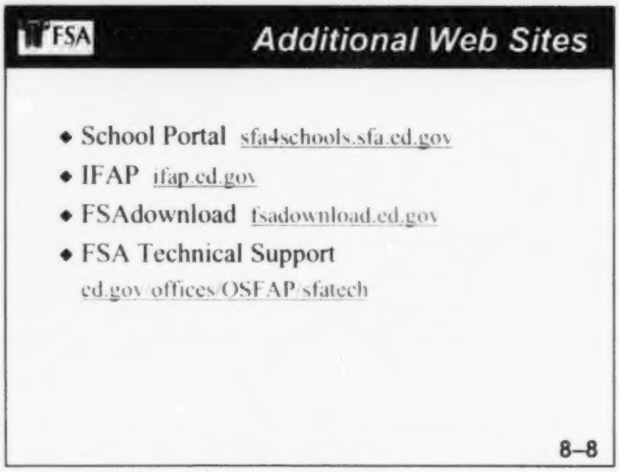
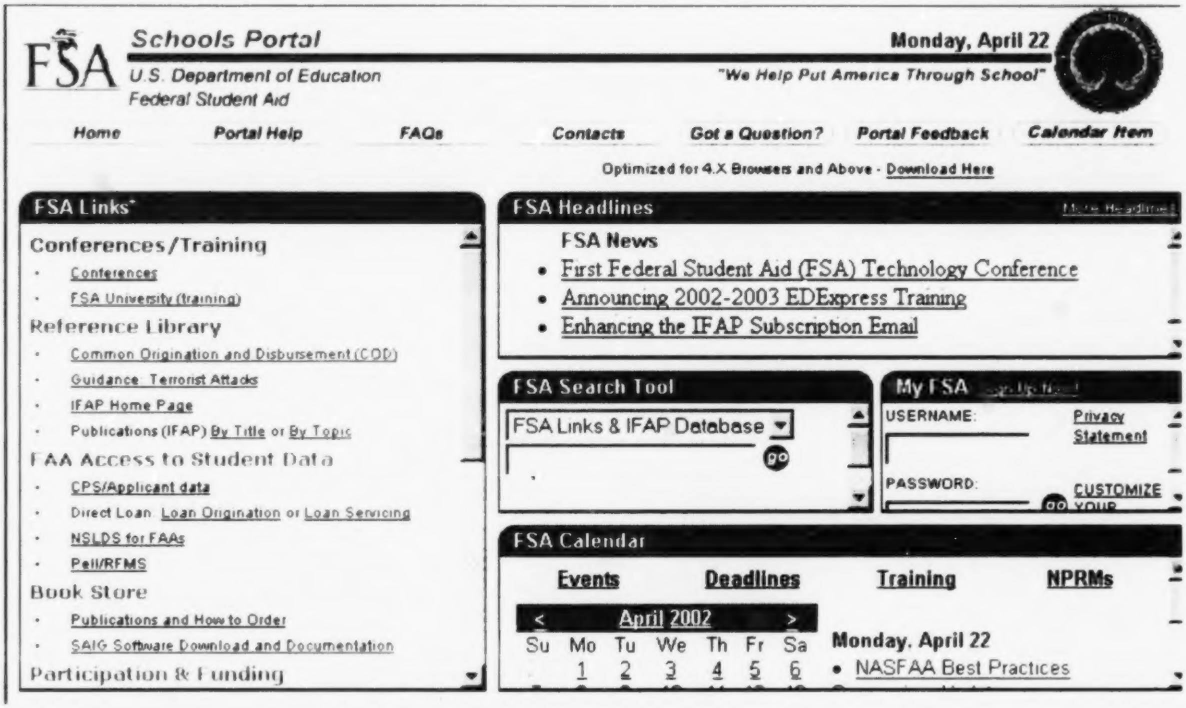


Additional Web Sites

- School Portal sfa4schools.sfa.ed.gov
- IFAP ifap.ed.gov
- FSAdownload fsadownload.ed.gov
- FSA Technical Support ed.gov/offices/OSFAP/sfatech

8–8

Additional Web Sites


FSA
Schools Portal
Monday, April 22
U.S. Department of Education
Federal Student Aid
"We Help Put America Through School"
Home
Portal Help
FAQs
Contacts
Got a Question?
Portal Feedback
Calendar Item
Optimized for 4.X Browsers and Above - Download Here
FSA Links*
FSA Headlines
FSA Search Tool
FSA Links & IFAP Database
go
My FSA
USERNAME:
PASSWORD:
Privacy Statement
CUSTOMIZE YOUR
FSA Calendar
Events
Deadlines
Training
NPRMs
April 2002
Su Mo Tu We Th Fr Sa
1 2 3 4 5 6

Conferences/Training
- Conferences
- FSA University (training)

Reference Library
- Common Origination and Disbursement (COD)
- Guidance: Terrorist Attacks
- IFAP Home Page
- Publications (IFAP) By Title or By Topic

FAA Access to Student Data
- CPS/Applicant data
- Direct Loan: Loan Origination or Loan Servicing
- NSLDS for FAAs
- Pell/RFMS

Book Store
- Publications and How to Order
- SAIG Software Download and Documentation

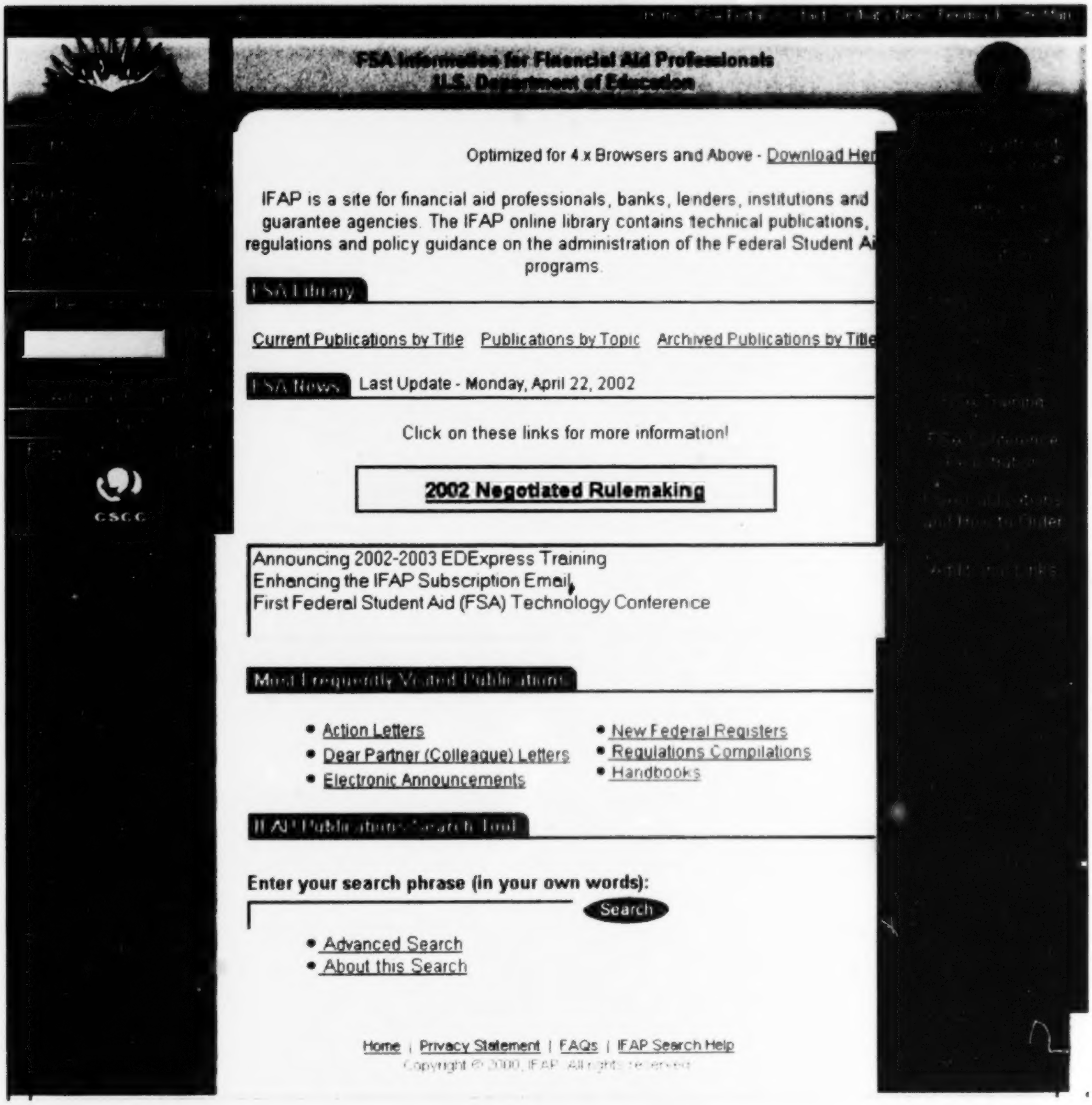
Participation & Funding

FSA News
- First Federal Student Aid (FSA) Technology Conference
- Announcing 2002-2003 EDExpress Training
- Enhancing the IFAP Subscription Email

Monday, April 22
- NASFAA Best Practices

School Portal sfa4schools.sfa.ed.gov

On this Web site you can access all Title IV Federal student financial aid program information, resources, and activities. Major sections include FSA Headlines, FSA Links, FSA Search, "My FSA," and the FSA Calendar. In addition, there are also Portal Help, Frequently Asked Questions (FAQs), Contacts, "Got a Question?" and Portal Feedback links.



FSA Information for Financial Aid Professionals
U.S. Department of Education

Optimized for 4 x Browsers and Above - Download Her

IFAP is a site for financial aid professionals, banks, lenders, institutions and guarantee agencies. The IFAP online library contains technical publications, regulations and policy guidance on the administration of the Federal Student Ai programs.

FSA Library

Current Publications by Title   Publications by Topic   Archived Publications by Title

FSA News   Last Update - Monday, April 22, 2002

Click on these links for more information!

2002 Negotiated Rulemaking

Announcing 2002-2003 EDExpress Training
Enhancing the IFAP Subscription Email
First Federal Student Aid (FSA) Technology Conference

Most Frequently Visited Publications

- Action Letters
- Dear Partner (Colleague) Letters
- Electronic Announcements
- New Federal Registers
- Regulations Compilations
- Handbooks

IFAP Publications Search Tool

Enter your search phrase (in your own words):

- Advanced Search
- About this Search

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Information for Financial Aid Professionals (IFAP) ifap.ed.gov

The IFAP site is an electronic library for financial aid professionals containing publications, regulations, and guidance regarding the administration of the Title IV Federal Programs.

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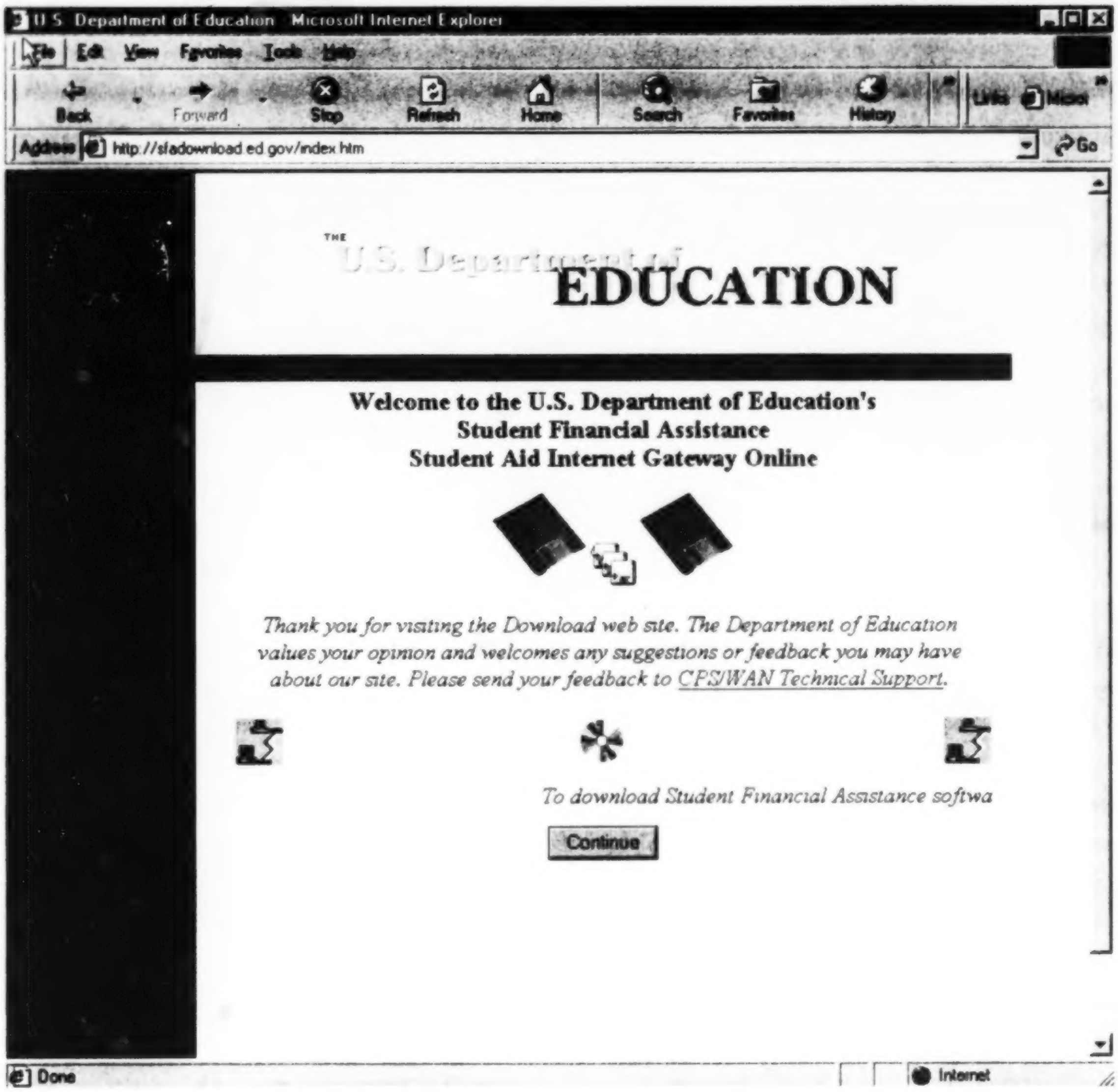
U.S. Department of Education Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Forward Stop Refresh Home Search Favorites History
Address http://sfadownload.ed.gov/index.htm
Go
Done
Internet

THE U.S. Department of EDUCATION

**Welcome to the U.S. Department of Education's
Student Financial Assistance
Student Aid Internet Gateway Online**

Thank you for visiting the Download web site. The Department of Education values your opinion and welcomes any suggestions or feedback you may have about our site. Please send your feedback to CPS/WAN Technical Support.

To download Student Financial Assistance softwa

Continue

FSA Download **fsadownload.ed.gov**

FSA-developed software (FISAP, EDExpress, R2T4, EDconnect, etc.) and documentation (Technical References for Direct Loan, FISAP, SSCR, RFMS EDE Pell, Electronic Data Exchange, etc.) can be downloaded from this site.

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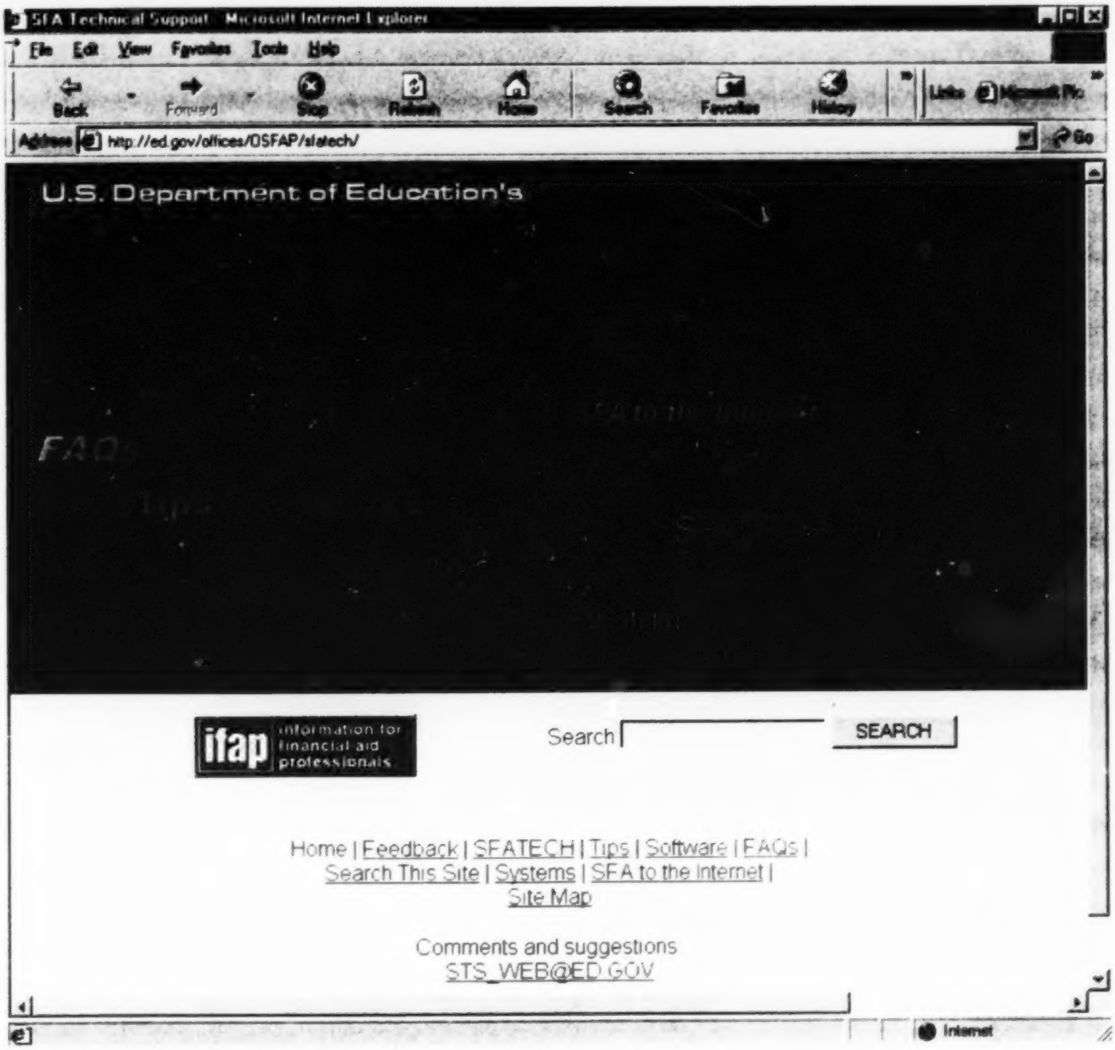
SFA Technical Support - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Forward Stop Refresh Home Search Favorites History
Links Microsoft Pic
Address http://ed.gov/offices/OSFAP/sfatech/
Go
U.S. Department of Education's
ifap information for financial aid professionals
Search
SEARCH
Internet

Home | Feedback | SFATECH | Tips | Software | FAQs |
Search This Site | Systems | SFA to the Internet |
Site Map

Comments and suggestions
STS_WEB@ED.GOV

SFA Technical Support

ed.gov/offices/OSFAP/sfatech/index.html

The SFA Technical Support page is a customer service Web site for all SFA systems, software, and mainframe products, as well as contains instructions on subscribing to the SFATECH listserv.

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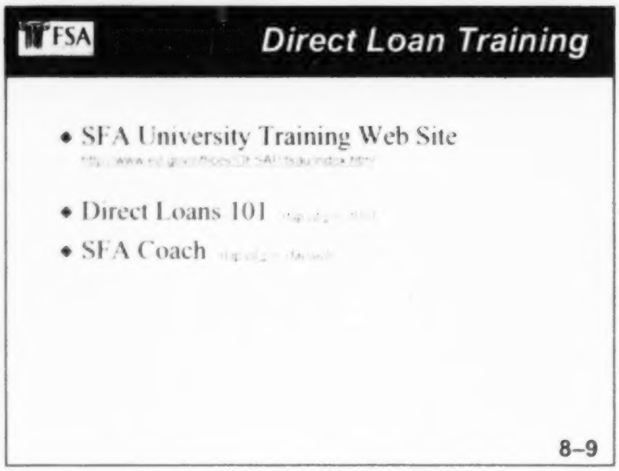
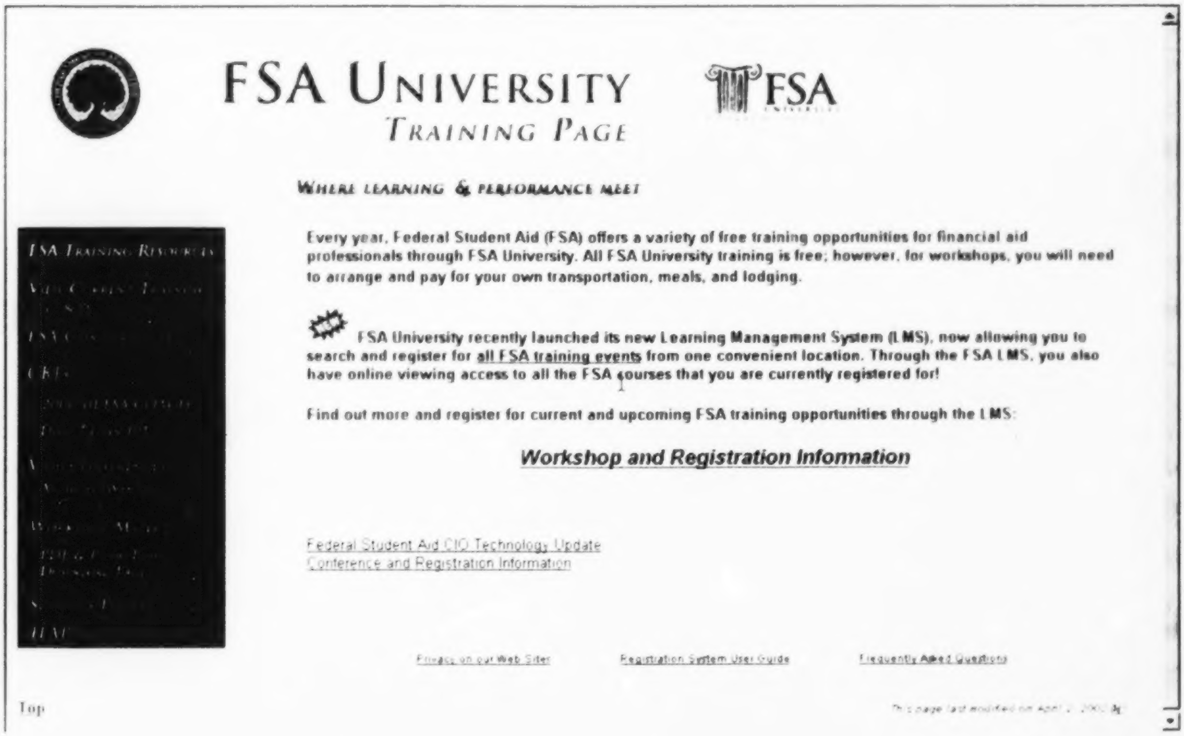


Direct Loan Training

- SFA University Training Web Site
- Direct Loans 101
- SFA Coach

Direct Loan Training



FSA UNIVERSITY
TRAINING PAGE

WHERE LEARNING & PERFORMANCE MEET

Every year, Federal Student Aid (FSA) offers a variety of free training opportunities for financial aid professionals through FSA University. All FSA University training is free; however, for workshops, you will need to arrange and pay for your own transportation, meals, and lodging.

FSA University recently launched its new Learning Management System (LMS), now allowing you to search and register for all FSA training events from one convenient location. Through the FSA LMS, you also have online viewing access to all the FSA courses that you are currently registered for!

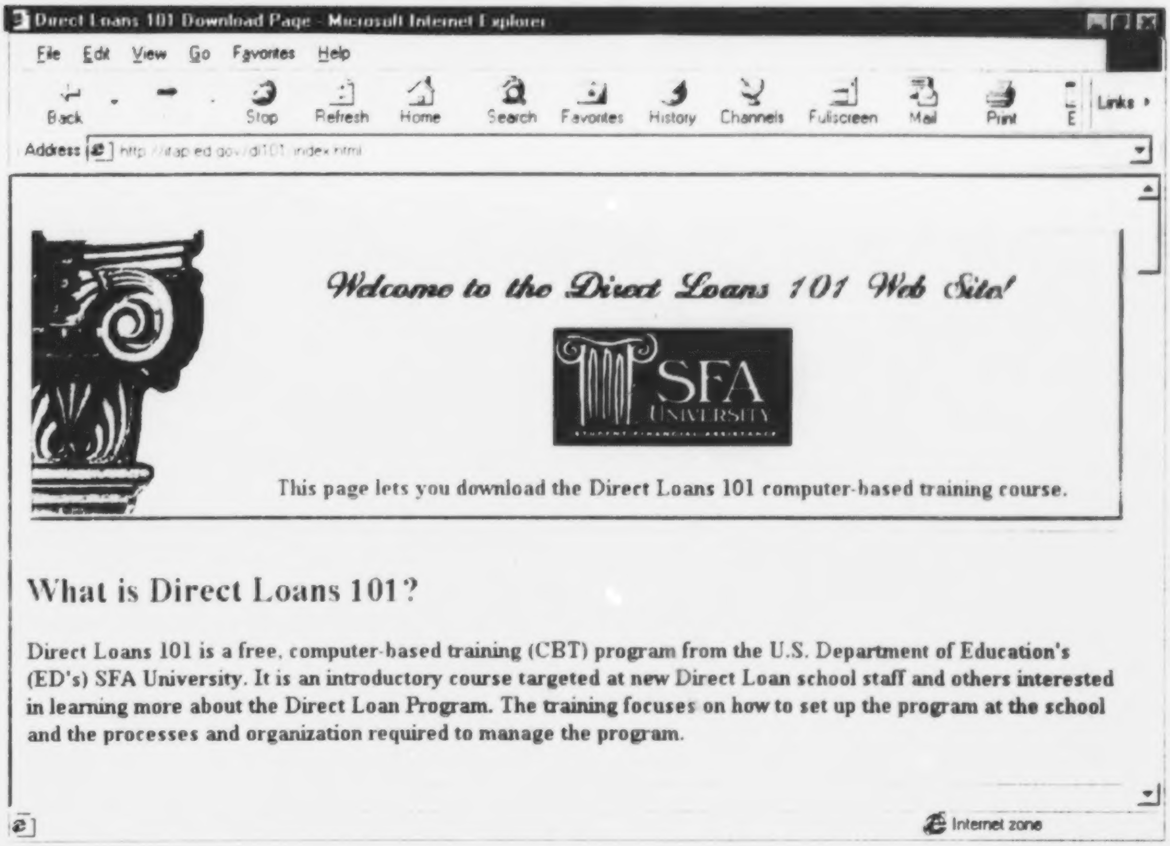
Find out more and register for current and upcoming FSA training opportunities through the LMS:

Workshop and Registration Information

Federal Student Aid CIO Technology Update
Conference and Registration Information

FSA University Training Page
http://www.ed.gov/offices/OFSAP/fsau/index.html

Federal Student Aid (FSA) offers a variety of free training opportunities for financial aid professionals through its newly formed FSA University. Classroom and electronic training opportunities are provided from this site.


Direct Loans 101 Download Page - Microsoft Internet Explorer
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Address
http://ifap.ed.gov/dl101/index.html
SFA University
Internet zone

Welcome to the Direct Loans 101 Web Site!

This page lets you download the Direct Loans 101 computer-based training course.

What is Direct Loans 101?

Direct Loans 101 is a free, computer-based training (CBT) program from the U.S. Department of Education's (ED's) SFA University. It is an introductory course targeted at new Direct Loan school staff and others interested in learning more about the Direct Loan Program. The training focuses on how to set up the program at the school and the processes and organization required to manage the program.

Direct Loans 101 **ifap.ed.gov/dl101/index.html**

Direct Loans 101 is a free, computer-based training program from the U.S. Department of Education's (ED) FSA University. It is an introductory course targeted at new Direct Loan school staff and others interested in learning more about the Direct Loan Program. The training focuses on how to set up and manage the Direct Loan program at a school.

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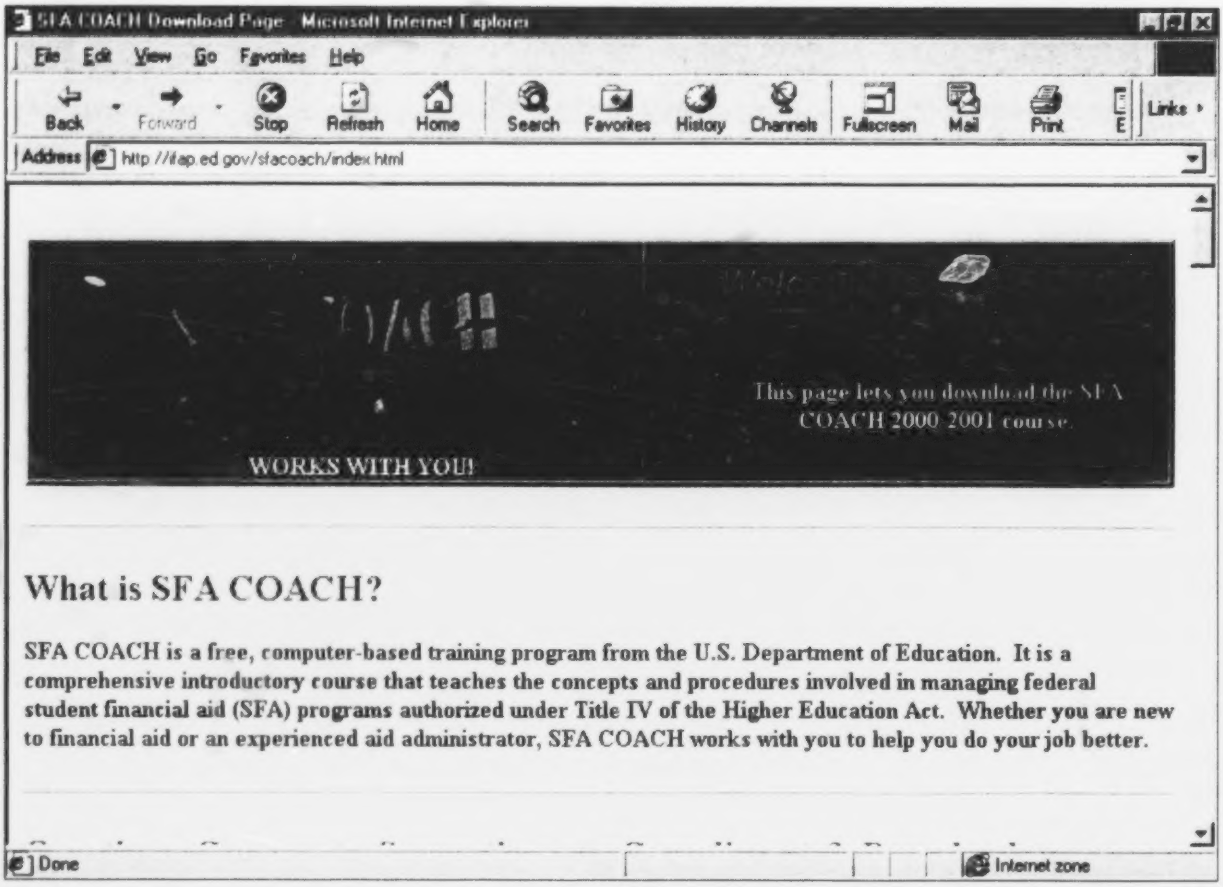
SFA COACH Download Page - Microsoft Internet Explorer
File Edit View Go Favorites Help
Back Forward Stop Refresh Home Search Favorites History Channels Fullscreen Mail Print
Links
Address http://ifap.ed.gov/sfacoach/index.html
WORKS WITH YOU!
Done
Internet zone

This page lets you download the SFA COACH 2000-2001 course.

What is SFA COACH?

SFA COACH is a free, computer-based training program from the U.S. Department of Education. It is a comprehensive introductory course that teaches the concepts and procedures involved in managing federal student financial aid (SFA) programs authorized under Title IV of the Higher Education Act. Whether you are new to financial aid or an experienced aid administrator, SFA COACH works with you to help you do your job better.

SFA Coach ifap.ed.gov/sfacoach/index.html

SFA COACH is a free, computer-based training program. It is a comprehensive introductory course that teaches the concepts and procedures involved in managing federal student financial aid programs authorized under Title IV of the Higher Education Act. Whether you are new to financial aid or an experienced aid administrator, SFA COACH works with you to help you to better understand your job.

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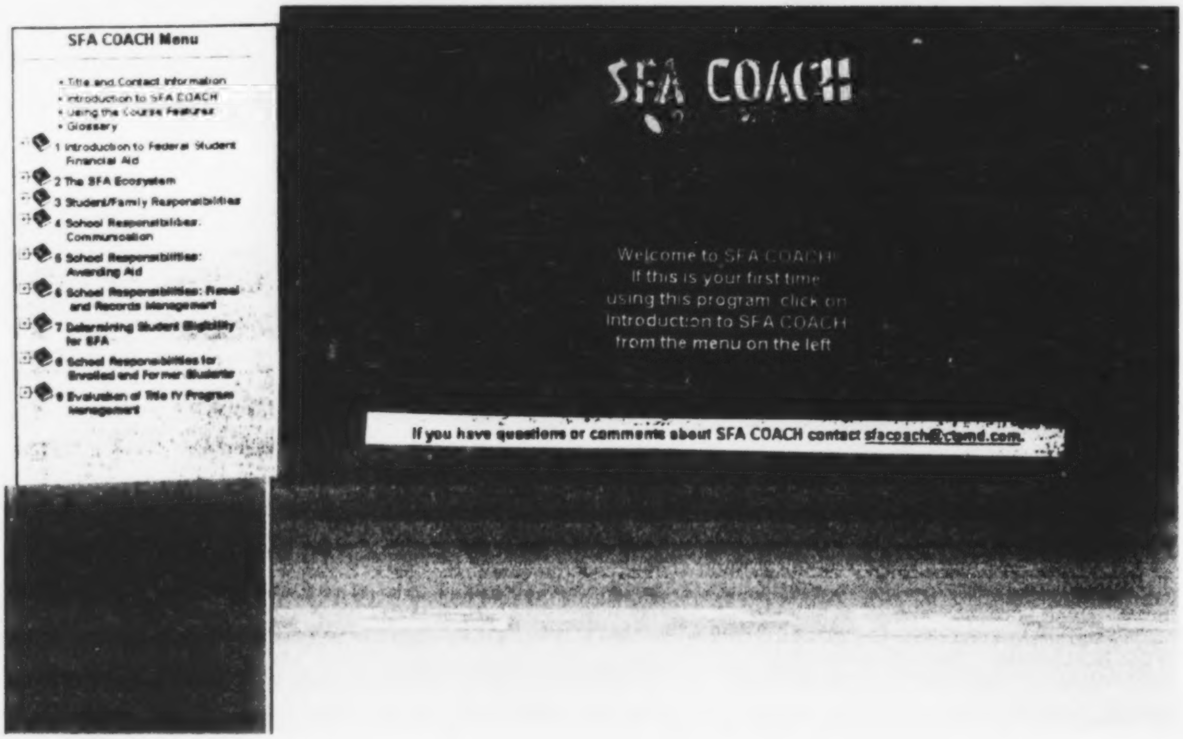

SFA COACH Menu
• Title and Contact Information
• Introduction to SFA COACH
• Using the Course Features
• Glossary
1 Introduction to Federal Student Financial Aid
2 The SFA Ecosystem
3 Student/Family Responsibilities
4 School Responsibilities: Communication
5 School Responsibilities: Awarding Aid
6 School Responsibilities: Fiscal and Records Management
7 Determining Student Eligibility for SFA
8 School Responsibilities for Enrolled and Former Students
9 Evaluation of Title IV Program Management
SFA COACH

Welcome to SFA COACH!
If this is your first time
using this program, click on
Introduction to SFA COACH
from the menu on the left

If you have questions or comments about SFA COACH contact sfacoach@csmd.com.

FSA Coach Web version

A Web version of FSA Coach will be available sometime in 2002. You will be able to access and view lessons through your Web browser instead of downloading files to your computer. A link and announcement will be posted to IFAP when the application is released.

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Appendix A

Direct Loan Query Fields

ACADEMIC MAJOR
ACADEMIC YEAR END DATE
ACADEMIC YEAR START DATE
ACTIVE TRANSACTION
ACTIVE TRANSACTION DATE
ACTIVE TRANSACTION ID
ACTUAL DISBURSEMENT BATCH ID
ACTUAL DISBURSEMENT CONFIRMED
ACTUAL DISBURSEMENT DATE
ACTUAL DISBURSEMENT EXPORT TO EXTERNAL FLAG
ACTUAL DISBURSEMENT GROSS AMOUNT
ACTUAL DISBURSEMENT INTEREST REBATE AMOUNT
ACTUAL DISBURSEMENT LOAN FEE AMOUNT
ACTUAL DISBURSEMENT NET ADJUSTMENT AMOUNT
ACTUAL DISBURSEMENT NET AMOUNT
ACTUAL DISBURSEMENT NUMBER
ACTUAL DISBURSEMENT REJECT CODES
ACTUAL DISBURSEMENT SCHOOL CODE
ACTUAL DISBURSEMENT SEQUENCE NUMBER
ACTUAL DISBURSEMENT STATUS
ACTUAL DISBURSEMENT TYPE
ADD DATE
ADD DATE (LOAN)
ADD ID (LOAN)
ADD TIME
ADD TIME (LOAN)
ADD USERID
ADDITIONAL UNSUB ELIG FOR DEPENDENT STUDENT
ADDITIONAL UNSUB ELIG FOR HEALTH PROF PROG
ALIEN REGISTRATION #
ANTICIPATED DISBURSEMENT DATE
ANTICIPATED DISBURSEMENT EXPORT TO EXTERNAL FLAG
ANTICIPATED DISBURSEMENT FEE AMOUNT
ANTICIPATED DISBURSEMENT GROSS AMOUNT
ANTICIPATED DISBURSEMENT INTEREST REBATE AMOUNT
ANTICIPATED DISBURSEMENT NET AMOUNT
ANTICIPATED DISBURSEMENT NUMBER
ANTICIPATED DISBURSEMENT SCHOOL CODE
BOOKED BATCH ID
BOOKED DATE
BOOKED STATUS
CITIZENSHIP STATUS - DEMO
CREDIT DECISION
CREDIT DECISION DATE
CREDIT DECISION UPDATE DATE
CURRENT SSN
DATE OF BIRTH - DEMO

DATE OF BIRTH CHANGE DATE
DEPENDENCY STATUS - DEMO
DEPENDENCY STATUS - DL
DIRECT LOAN SCHOOL CODE
DISCLOSURE PRINTED
DISCLOSURE STATEMENT PRINT INDICATOR
DOCUMENT STATUS
DRIVER'S LICENSE #
DRIVER'S LICENSE STATE
E-MAIL ADDRESS
EXPORT TO COD
EXPORT TO EXTERNAL SYSTEM
FIRST DISBURSEMENT FLAG
FIRST NAME - DEMO
GRADE LEVEL IN COLLEGE - DL
HAS CORRECTION RECORD
HAS DOCUMENT TRACKING RECORD
HAS FAFSA RECORD
HAS LOAN RECORD
HAS NOTES RECORD
HAS NSLDS RECORD
HAS PACKAGING RECORD
HAS PELL RECORD
HAS VERIFICATION WORKSHEET RECORD
INACTIVE DATE
INACTIVE FLAG
INTEREST REBATE PERCENTAGE
ISIR DL MPN FLAG
LAST MAILED DATE
LAST NAME - DEMO
LEGAL RESIDENCE DATE - DEMO
LETTER COUNT
LOAN AMOUNT APPROVED
LOAN AMOUNT REQUESTED
LOAN ENTRANCE INTERVIEW DATE?
LOAN FEE PERCENTAGE
LOAN ID (ACTUAL DISBURSEMENT)
LOAN ID (ANTICIPATED DISBURSEMENT)
LOAN ID (LOAN)
LOAN ORIGINATION DATE
LOAN PERIOD CODE
LOAN PERIOD END DATE
LOAN PERIOD START DATE
LOAN STATUS
LOAN TYPE
LOCAL ADDRESS
LOCAL ADDRESS CHANGE DATE
LOCAL CITY
LOCAL PHONE
LOCAL STATE
LOCAL ZIP CODE
MIDDLE INITIAL - DEMO
NAME ID
ORIGINAL SSN - DEMO
ORIGINATION BATCH ID
ORIGINATION CHANGE BATCH ID

ORIGINATION REJECT CODES
PARENT BORROWER'S ADDRESS CHANGE DATE
PARENT BORROWER'S ALIEN REGISTRATION #
PARENT BORROWER'S CITIZENSHIP STATUS
PARENT BORROWER'S CURRENT SSN
PARENT BORROWER'S DATE OF BIRTH
PARENT BORROWER'S DATE OF BIRTH CHG DATE
PARENT BORROWER'S FIRST NAME
PARENT BORROWER'S LAST NAME
PARENT BORROWER'S LICENSE #
PARENT BORROWER'S LICENSE STATE
PARENT BORROWER'S LOAN DEFAULT/GRANT OVERPAYMENT
PARENT BORROWER'S MIDDLE INITIAL
PARENT BORROWER'S PERMANENT ADDRESS
PARENT BORROWER'S PERMANENT CITY
PARENT BORROWER'S PERMANENT PHONE NUMBER
PARENT BORROWER'S PERMANENT STATE
PARENT BORROWER'S PERMANENT ZIP CODE
PARENT BORROWER'S SSN CHANGE DATE
PERMANENT ADDRESS - DEMO
PERMANENT ADDRESS CHANGE DATE
PERMANENT CITY - DEMO
PERMANENT PHONE NUMBER - DEMO
PERMANENT STATE - DEMO
PERMANENT ZIP CODE - DEMO
PREVIOUS TRANSACTION
PROGRAM OF STUDY
PROGRAM YEAR
PROM NOTE ACCEPTED BATCH ID
PROM NOTE ACKNOWLEDGEMENT DATE
PROM NOTE ID/MPN ID
PROM NOTE MANIFEST BATCH ID
PROM NOTE MANIFEST DATE
PROM NOTE PRINT DATE
PROM NOTE PRINT INDICATOR
PROM NOTE RECEIVED DATE
PROM NOTE STATUS
RECORD SOURCE
RECORD SOURCE - DL
SCHOOL USE
SSN CHANGE DATE
STUDENT'S LOAN DEFAULT/GRANT OVERPAYMENT
STUDENT'S ORIGINAL SSN
STUDENT'S STATE OF LEGAL RESIDENCE - DEMO
TRANS PAID ON
TRANSACTION #
TRANSMIT DATE
TRANSMIT NUMBER
UPDATE DATE
UPDATE DATE (LOAN)
UPDATE ID
UPDATE ID (LOAN)
UPDATE TIME
UPDATE TIME (LOAN)
VERIFICATION STATUS CODE - DEMO

Appendix B

Sample Reports

Origination Acknowledgement Import Edit Report B-2

Sub/Unsub Manifest B-4

Promissory Note Acknowledgement Import Edit Report B-6

Disbursement Acknowledgement Import Edit Report B-8

Booking Notification Acknowledgement Import Edit Report B-9

Origination Change Record Acknowledgement Import Edit Report B-10

```
Report Date: 05/20/2002   U.S. DEPARTMENT OF EDUCATION                 PAGE:  1
Report Time: 16:47:38 2002-2003 Federal Direct Loan Program
                   Origination Acknowledgement Import Edit Report
                                  (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************
BATCH ID: #D3E99999200205181 42259

LOAN ID                LOAN ORIGINATION STATUS                    ERROR CODES
                       MPN STATUS
---------------------  ------------------------------------------ -------------
035090081S03E99999001 REJECTED                                    75

066756265S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

105716346S03E99999001 ACCEPTED
                       ** ACCEPTED MPN ALREADY ON FILE AT COD

106811398S03E99999001 REJECTED                                    13

126815096S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

156854187S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

163424490S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

168775556S03E99999001 ACCEPTED
                       ** ACCEPTED MPN ALREADY ON FILE AT COD

170791951S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

171542369S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

307001970S03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

066756265U03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD

105716346U03E99999001 ACCEPTED
                       ** ACCEPTED MPN ALREADY ON FILE AT COD

160850932U03E99999001 REJECTED                                    16

163424490U03E99999001 ACCEPTED
                       ** MPN NOT ON FILE AT COD
```

```
Report Date: 05/20/2002   U.S. DEPARTMENT OF EDUCATION              PAGE:  2
Report Time: 16:47:38 2002-2003 Federal Direct Loan Program
                 Origination Acknowledgement Import Edit Report
                                 (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
********************************************************************************
BATCH ID: #D3E99999200205181422259

LOAN ID               LOAN ORIGINATION STATUS                    ERROR CODES
                      MPN STATUS
--------------------- ------------------------------------------ -------------
167736707U03E99999001 ACCEPTED
                      ** ACCEPTED MPN ALREADY ON FILE AT COD

168775556U03E99999001 ACCEPTED
                      ** ACCEPTED MPN ALREADY ON FILE AT COD

170537931U03E99999001 ACCEPTED
                      ** MPN NOT ON FILE AT COD

171542369U03E99999001 ACCEPTED
                      ** MPN NOT ON FILE AT COD

307001970U03E99999001 ACCEPTED
                      ** MPN NOT ON FILE AT COD



TOTAL RECORDS ACCEPTED               17
TOTAL RECORDS IN ERROR                3
TOTAL RECORDS PENDING                 0
TOTAL RECORDS SKIPPED                 0
TOTAL RECORDS IN BATCH               20
```

```
Report Date: 07/15/2002        U.S. DEPARTMENT OF EDUCATION                  PAGE:  1
Report Time:   13:47:28    2002-2003 Federal Direct Loan Program
                                     Sub/Unsub Manifest
                                       (ALL RECORDS)                         Sort: SSN
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************************
***

PROMISSORY NOTE SHIPPING BATCH NUMBER:  #A3E99999200207151334728

BORROWER'S NAME                      MPN ID
STUDENT'S CURRENT SSN
------------------------------       ---------------------

BORTON, WENDELL J.                   126815096M03E99999001
126-82-5096

POTTER, JOSEPHINE R.                 156854187M03E99999001
156-85-4187

SIMPSON, HOMER A.                    163424490M03E99999001
163-42-4490

LINDLEY, JENNIFER M.                 066756265M03E99999001
166-75-6265

ROSENBERG, WILLOW S.                 170537931M03E99999001
170-53-7931

BUNDY, KELLY                         170791951M03E99999001
170-79-1951

BOUVIER, PATTY B.                    171542369M03E99999001
171-54-2369

POWELL, HERBERT J.                   171847960M03E99999001
171-84-7940

SKINNER, SEYMOUR K.                  194740951M03E99999001
184-74-0951

BRISCOE, LENNIE K.                   199489999M03E99999001
199-48-9999

KRABAPPEL, EDNA                      254527873M03E99999001
254-52-7873

KRAMER, COSMO A.                     274752248M03E99999001
274-75-2248
```

```
Report Date: 07/15/2002        U.S. DEPARTMENT OF EDUCATION                  PAGE:  2
Report Time:    13:47:28    2002-2003 Federal Direct Loan Program
                                     Sub/Unsub Manifest
                                       (ALL RECORDS)                    Sort: SSN
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*****************************************************************************************
***

NUMBER OF NOTES FOR SHIPPING: _____

I hereby certify that each borrower named on the enclosed notes/disclosures is accepted
for enrollment on at least a half-time basis and is making satisfactory progress in a
program that is eligible for the loan type(s) awarded.  I certify that each student is
an
eligible borrower in accordance with the Act.  I further certify that each borrower's
eligibility for a Pell Grant has been determined, that each borrower is not
incarcerated,
and that each borrower has been determined eligible for loan(s) in the amount(s)
certified.  I further certify that the disbursement schedules comply with the
requirements
of the Act and hereby authorize the Department of Education to adjust disbursement
dates
if necessary to ensure compliance with the Act.  I further certify that, based on
records
available and due inquiry, each borrower has met the requirements of the Selective
Service
Act, that each borrower is not liable for an overpayment of any Federal grant made
under
the Act, and that the information provided in the Borrower and the School sections of
the
promissory notes/disclosures (including information supplied in electronic format) is
true, complete and accurate to the best of my knowledge and belief.

SCHOOL CODE:  E99999  NAME:   SFA UNIVERSITY

SIGNATURE: _____________________________________

FAA NAME:  AUTHORIZED LOAN OFFICIAL
```

```
Report Date: 07/17/2002   U.S. DEPARTMENT OF EDUCATION                    PAGE:  1
Report Time: 22:12:22 2002-2003 Federal Direct Loan Program
                       Promissory Note Acknowledgement
                                (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
**********************************************************************************
BATCH ID: #A3E9999920020715134728

LOAN ID                  PROMISSORY NOTE  REASON CODES
CURRENT SSN              STATUS
STUDENT NAME
------------------------ ---------------- -----------------
254527873S03E99999001    ACCEPTED
254527873
KRABAPPEL, EDNA

170537931U03E99999001    ACCEPTED
170537931
ROSENBERG, WILLOW S

126815096S03E99999001    ACCEPTED
126825096
BORTON, WENDELL J

156854187S03E99999001    ACCEPTED
156854187
POTTER, JOSEPHINE R

274752248S03E99999001    ACCEPTED
274752248
KRAMER, COSMO A

274752248U03E99999001    ACCEPTED
274752248
KRAMER, COSMO A

254527873U03E99999001    ACCEPTED
254527873
KRABAPPEL, EDNA

194740951S03E99999001    ACCEPTED
184740951
SKINNER, SEYMOUR K

171847960U03E99999001    ACCEPTED
171847940
POWELL, HERBERT J

171542369U03E99999001    ACCEPTED
171542369
BOUVIER, PATTY B

171542369S03E99999001    ACCEPTED
171542369
BOUVIER, PATTY B

163424490U03E99999001    ACCEPTED
163424490
SIMPSON, HOMER A

163424490S03E99999001    ACCEPTED
```

```
Report Date: 07/17/2002   U.S. DEPARTMENT OF EDUCATION                PAGE:  2
Report Time: 22:12:22 2002-2003 Federal Direct Loan Program
                        Promissory Note Acknowledgement
                                 (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************
BATCH ID: #A3E9999920020715134728

LOAN ID                  PROMISSORY NOTE  REASON CODES
CURRENT SSN              STATUS
STUDENT NAME
------------------------ ---------------- -----------------
163424490
SIMPSON, HOMER A

199489999S03E99999001    ACCEPTED
199489999
BRISCOE, LENNIE K

199489999U03E99999001    ACCEPTED
199489999
BRISCOE, LENNIE K

066756265S03E99999001    ACCEPTED
166756265
LINDLEY, JENNIFER M

066756265U03E99999001    ACCEPTED
166756265
LINDLEY, JENNIFER M

170791951S03E99999001    ACCEPTED
170791951
BUNDY, KELLY



TOTAL RECORDS ACCEPTED             18
TOTAL RECORDS IN ERROR              0
TOTAL RECORDS PENDING               0
TOTAL RECORDS SKIPPED               0
TOTAL RECORDS IN BATCH             18
```

```
Report Date: 09/10/2002   U.S. DEPARTMENT OF EDUCATION                 PAGE    1
Report Time: 16:32:03 2002-2003 Federal Direct Loan Program
                      Disbursement Acknowledgement Report
                                (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
********************************************************************************
BATCH ID: #H3E99999200208071034 36

                                                    FIELD IN ERROR            COD NET
LOAN ID                     #  DISB. DATE TYPE                                AMOUNT
--------------------- -- ---------- ----    ------------------------ ----------
239831720P03E99999001  01 08/06/2002 D                                        $
296788980S03E99999001  01 08/06/2002 D                                        $
296788980U03E99999001  01 08/06/2002 D                                        $
446775495S03E99999001  01 08/06/2002 D                                        $


TOTAL RECORDS IN ERROR                     0
TOTAL DUPLICATE DISBURSEMENTS              0

TOTAL RECORDS SKIPPED                      0

TOTAL RECORDS ACCEPTED                     4
TOTAL RECORDS BOOKED                       0
TOTAL RECORDS UNBOOKED                     4

TOTAL RECORDS IN BATCH                     4
```

```
Report Date: 09/10/2002   U.S. DEPARTMENT OF EDUCATION                PAGE:  1
Report Time: 16:10:49 2002-2003 Federal Direct Loan Program
                    Booking Notification Acknowledgement Report
                                   (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
********************************************************************************
BATCH ID: #B3E9999920020807103436

                                                 FIELD IN ERROR           COD NET
LOAN ID                #  DISB. DATE TYPE                                 AMOUNT
---------------------  -- ---------- ----      ------------------------ ----------
239831720P03E99999001     08/06/2002 L         BOOKED                   $  1,950
296788980S03E99999001     08/06/2002 L         BOOKED                   $    444
296788980U03E99999001     08/06/2002 L         BOOKED                   $    707
446775495S03E99999001     08/06/2002 L         BOOKED                   $  2,709


TOTAL RECORDS IN ERROR                    0
TOTAL DUPLICATE DISBURSEMENTS             0

TOTAL RECORDS SKIPPED                     0

TOTAL RECORDS ACCEPTED                    4
TOTAL RECORDS BOOKED                      4
TOTAL RECORDS UNBOOKED                    0

TOTAL RECORDS IN BATCH                    4
```

```
Report Date: 09/28/2002   U.S. DEPARTMENT OF EDUCATION                 PAGE:  1
Report Time: 13:48:35 2002-2003 Federal Direct Loan Program
                    Change Origination Record Acknowledgement Errors
                                      (ALL RECORDS)
   THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************
BATCH ID: #E3E99999200209271339 43

                         CHANGE     CHANGE                         CHANGE
LOAN ID                  FIELD #    FIELD VALUE                    ERROR CODE
---------------------    -------    ---------------------------    ---------------
126815096P03E99999001    S029       08000                               75



TOTAL RECORDS ACCEPTED                 3
TOTAL RECORDS IN ERROR                 1
TOTAL RECORDS PENDING                  0
TOTAL RECORDS SKIPPED                  0
TOTAL RECORDS IN BATCH                 4
```

Appendix C

Glossary

732 Report

The 732 Report is a year-to-date report generated by the LOC to report a school's cash detail, loan detail, and cash summary totals for a specific academic year. The report will be sent to schools to close out for 2001-02 and prior years.

Actual Disbursement

An actual disbursement occurs when a school credits Direct Loan funds to a borrower's account or pays Direct Loan funds directly to the borrower. In EDExpress, these are recorded on the Disbursement tab.

Advance Pay

Under the Advance Pay funding method, schools request cash through GAPS for estimated disbursements to students/borrowers within three (3) business days. In addition, schools may only draw down cash up to the difference between the school's Current Funding Level (CFL) and the amount of funds previously sent to the school for a given award year and program. The U.S. Treasury transmits funds to the school's bank.

Anticipated Disbursements

The anticipated disbursements are calculated based on the Loan Period Code assigned to the loan when it was created. EDExpress divides the total loan amount evenly between the number of disbursements and calculates the fee, rebate, and net amount of each individual disbursement.

ASCII

American Standard Code for Information Interchange, or ASCII, is the code that most computers use to represent text, so data can be transferred from one computer to another. Text editors and word processors can store data in ASCII format.

Batch Activity Database

A database in which EDExpress records an entry every time you export or import data.

Batch ID

This number is generated by EDExpress when a school batches a group of origination, change or disbursement records or by the COD system when a group of promissory notes are acknowledged. The batch ID is unique to that batch.

Batch of Records

A batch is a group of records assembled into one file for processing. Each batch contains a header record, detail record, and trailer record. Batches are assigned a unique ID.

Booked Loan

A booked loan is a binding obligation between the borrower and the U.S. Department of Education. A loan is considered "booked" when the COD system has accepted the full loan origination record, the MPN/PLUS promissory note, and the first actual disbursement record for a particular Loan ID.

Booking Notification

A disbursement acknowledgement (DIOD03OP) with a batch type of #B is sent by the COD system to notify schools when the first disbursement is booked by the COD system.

Borrower

The person who has signed and agreed to the terms of the promissory note, and is therefore responsible for repaying the loan.

Capitalization

Adding accumulated interest that has not been paid by the borrower to the loan principal. Capitalizing interest increases the principal amount of the loan and the total cost of the loan.

Change Records

When you make a change to a loan record that has been batched or accepted by the COD system, you must then send the change record to the COD system. A change record consists of the updated data only. Upon receipt of a change record, the COD system updates the Direct Loan database accordingly and generates an acknowledgement to the school.

The COD System's Total Net Booked Loan Amount

The net total of all booked disbursements on file at the COD system for a specific loan.

Comma-delimited

A record format in which data elements within a record are separated by commas.

Common Origination and Disbursement System

The Common Origination and Disbursement System (COD) processes Federal Direct Loans by providing applicant services, reconciliation, technical support, and production operations.

Deferment

A deferment means postponing payments on a loan under certain specific conditions. For subsidized loans, the government pays the interest during periods of deferment.

Direct Loan School Code

Your Direct Loan code identifies your school to the Common Origination and Disbursement System (COD) as eligible to participate in the Direct Loan Program and is required by several EDExpress Direct Loan functions. This code is different from your Federal School Code. Your Direct Loan School Code is 6 characters and begins with either a "G" or "E."

Direct Loan Servicing Center

The Direct Loan Servicing Center (DLSC) handles all activity with Direct Loans once they are booked.

Direct Loan Tools for Windows

Direct Loan Tools is a Windows based software product with three components providing the following functionality:

- Rebuild loan and disbursement data in EDExpress in an automated fashion.
- Compare the SAS report to actual disbursements recorded in EDExpress or an external file; and compare to DL Tools Cash Database.
- Track cash receipts (drawdowns) and returns of excess cash for Direct Loan as reported in GAPS.

Disbursement Acknowledgement

A notification sent to schools by the COD system indicating whether disbursement records you have exported have been accepted or rejected. Each record includes a flag indicating acceptance or rejection and, if rejected, why it was rejected. An edit report details the origination ID, disbursement number, disbursement date, edit/reject code, and amount.

Disbursement Activity Type

Disbursement Activity Type is a type of disbursement transaction. The following is terminology used by the COD system on the Disbursement record and Disbursement Acknowledgement.

D = Actual Disbursement (Batch type #H)

A = Adjusted Disbursement Amount (Batch type #H)

Q = Adjusted Disbursement Date (Batch type #H)

L = Booking Disbursement (Batch type #B)

P = Servicer Refund (Batch type SP)

Disbursement Adjustment

Any change to an actual disbursement amount or date.

Drawdown of Funds (Cash Receipts)

The process schools use to request Title IV funds. In the Direct Loan Program, Advance payment schools make drawdown requests directly to the Grant Administration and Payment System (GAPS). For schools under the Pushed Funding method, the COD system makes the drawdown requests.

EDconnect

EDconnect is a Windows-based software package that assists users with sending, receiving, and managing their federal student aid information electronically. Users collect data on their personal computer (PC) or computer system and transmit the collected data in batches over the Student Aid Internet Gateway (SAIG).

Endorser

An endorser agrees to repay the loan if the borrower does not pay.

Excess Cash

Any amount of Title IV program funds (other than FFEL Program or Federal Perkins Loan Program funds) that a school does not disburse according to regulations.

Export

The export function in EDExpress creates a batch of data records that are ready to be used in EDconnect, used in a system outside EDExpress, or transmitted to a data processing service.

External Data File

The External Data file is an electronic data file generated by an external system, mainframe or other software, to be imported into EDExpress.

Field

A component of the query statement. Each student record has fields such as loan amount, loan status, college grade level, etc.

File Name

The file name is used by a program to identify a file. Some file names are followed by an extension separated by a period. The extension often identifies the type of information contained in the file. Common extensions include .EXE (program file), .HLP (help file), and .DAT (data file).

Forbearance

Under certain conditions, and upon request, the borrower is temporarily relieved of the obligation to make payments on the loan. The borrower is responsible for any interest that accrues during periods of forbearance.

Full Participants

Full participants are FSA partners, including schools, who have fully implemented the COD process. They send and receive records to and from the COD system in XML format. These schools have more processing options than their phase-in participant counterparts.

Grace Period

A six-month period before the first payment must be made on a Direct Subsidized or Direct Unsubsidized Loan. The grace period begins the day after the borrower ceases to be enrolled at least half-time.

Gross Disbursement Amount

The disbursement amount before the deduction of the loan fee and application of the Interest Rebate. This is the amount the borrower is obligated to pay back to the Department of Education.

Import

Import is an EDExpress function that moves a file of data records that has been received from the SAIG into the EDExpress database.

The Import function in EDExpress can be used to: create or update records from data in another module within EDExpress, from another system such as a mainframe or from another software product; update records with data received in acknowledgements received from the COD system; or to print reports received in an electronic file from the COD system.

Inactive Loan

An "inactive loan" implies that a loan is no longer being processed for a borrower and that there will be no further transactions.

Marking a loan as Inactive allows you to keep the loan from displaying on the EDExpress List - Anticipated Disbursement report. You also have the option to automatically reduce the Loan Amount Approved and all anticipated disbursements to $0 (if actual disbursements do not exist).

Interest

An expense of borrowing money that is calculated as a percentage of the amount borrowed.

Interest Rebate Amount

The dollar amount of the 1.5% up-front interest rebate.

ISIR MPN Indicator

The ISIR MPN indicator is a field in the Apps Processing module of EDExpress that is updated by the Common Origination and Disbursement System through the Central Processing System. The school receives updated information during ISIR import that helps schools using multi-year functionality determine if an active Master Promissory Note exists for the student.

Like

An operator that is used in a query to find values in a field that match a specified pattern or "character string."

List Reports

The List Reports assist you in evaluating your school's own Direct Loan Program procedures and policies. These reports assist schools with monitoring current operations, procedures, and program status. Your school decides which reports to use, when to run them, and what action to take as a result. You can use them to review progress as part of continuous improvement.

Loan Fee

An expense of borrowing deducted proportionately from each loan disbursement. For Direct Subsidized and Direct Unsubsidized loans, the loan fee is 3%, while for PLUS loans, the loan fee is 4%.

Loan ID

The Loan ID is a 21-character identification number generated by EDExpress when a loan is created. The Loan ID contains the borrower's SSN, the loan type, year, Direct Loan School Code, and loan sequence number. (Refer to Session 3, Lesson 2 for more details.)

Master Promissory Note

A Master Promissory Note (MPN) is a legal document requiring the borrower of a Direct Subsidized or Direct Unsubsidized Loan to repay the funds borrowed under the Direct Loan Program. The MPN is the only approved promissory note for subsidized and unsubsidized loans under the Direct Loan Program and is used by all schools.

MPN ID

The MPN ID is generated by EDExpress and is the identification number printed on an MPN. The COD system uses the MPN ID to link loans to an MPN. For printed MPNs for 2000–2001 and forward, the format of the MPN ID is the same as the Loan ID except an "M" is used instead of "S" or "U" in the loan type code field.

MPN Type

The MPN Type field on the MPN/PLUS Promissory Note Acknowledgement record indicates whether a Subsidized/Unsubsidized Master Promissory Note (MPN) is electronic or paper. It is not a viewable field on the loan screen in EDExpress.

Message Class

Message class is the file name of a batch of records that identifies the type of records in the batch.

MPN Y/N Indicator

This field on the Full Loan Origination Acknowledgement Record indicates whether or not a valid MPN is on file at the LOC for a specific loan. It is not a viewable field on the loan screen in EDExpress.

Multi-year Functionality

Multi-year functionality for the MPN applies to all 4-year and graduate/professional schools that are not subject to an emergency action or limitation, suspension, or termination (LS&T) action per Direct Loan regulations. For multi-year functional schools, Direct Subsidized and Unsubsidized borrowers can sign one MPN for all of their loans.

Net Disbursement Amount

The actual amount disbursed to a borrower after the loan fee has been deducted from the gross disbursement amount and the interest rebate amount has been applied.

Null Value

A value that indicates missing data in a data field.

Operator:

A component of a query statement that describes the relationship between a data field and its specified value. Operators used in EDExpress are:

=	Equal to
>	Greater than
>=	Greater than or equal to
<	Less than
<=	Less than or equal to
<>	Not equal to
Like	Similar to
Not Like	Different from

Origination

Origination is the process that edits the loan record and generates anticipated disbursements.

Origination Acknowledgement

Origination Acknowledgement is a notification sent to schools by the COD system indicating whether origination records you have transmitted are accepted or rejected. Each record includes a flag indicating acceptance or rejection and, if rejected, why it was rejected. An edit report details the loan ID and edit/reject codes.

Parameter Query

A type of query that has fixed fields but not fixed values. When you create a parameter query, you specify the field name and operator for the query. Instead of specifying a value, you use the Prompt at Execution option. This option tells EDExpress to prompt you for the field values at the time you use the query.

Phase-In Participants

Phase-in participants are FSA partners, including schools, continue to who send and receive Direct Loan and Pell records to and from the COD system in the legacy formats. Until they fully implement the COD process, these schools have fewer processing options than their full participant counterparts.

PLUS Application/Promissory Note or PLUS Promissory Note

A PLUS Application/Promissory Note or PLUS Promissory Note is a legal document requiring the parent borrower of a Direct PLUS Loan to repay the funds borrowed under the Direct Loan Program.

Promissory Note

A legally binding contract between a lender and a borrower. The promissory note contains the terms and conditions of the loan, including how and when the loan must be repaid.

Promissory Note Acknowledgement

The Promissory Note Acknowledgement is the file returned to a school confirming the status of an MPN or PLUS Promissory Note in the COD system.

Promissory Note Manifest

The Promissory Note Manifest is a paper list of printed notes that must accompany the notes when they are mailed to the LOC.

Pushed Cash

Under the Pushed Cash funding method, a school has cash deposited in its bank account based on actual disbursements that are submitted and accepted by the COD System and the CFL calculation.

Query

A request to retrieve data from EDExpress using criteria that you specify.

Rebuild Loan File

A file sent by the COD system, at the school's request, that consists of origination and disbursement details to rebuild the school's Direct Loan database. The Rebuild Loan File can be used to compare Direct Loan records at the COD system with the school's Direct Loan records.

Reconciliation

Reconciliation is the monthly activity of resolving fund discrepancies between the COD system and the school. Direct Loan reconciliation has two separate but related parts that occur together: cash management reconciliation and loan record reconciliation.

Repayment Period

The period during which a borrower is obligated to make payments on the loan(s).

School Account Statement (SAS)

A monthly report sent by the COD system listing data on cash balances, cash details, booked loans, and booked and unbooked disbursements transactions. For 2002–03 the former 732 report and DLSAS reports are merged into the SAS.

SAIG

The Student Aid Internet Gateway is a private telecommunications network that handles the exchange of data between participating postsecondary schools and SFA's processing systems. The appropriate Title IV Application System receives the data, processes the data, performs any required database cross-referencing, and returns the processed data to the user's SAIG mailbox. The entire processing cycle for routine application data within the SAIG system is typically 72 hours (three working days).

Single-year Functionality

Schools processing MPNs using single-year functionality must generate a new MPN for each academic year. A single-year processing school must use an MPN generated at or for that school for that borrower with the exact same academic year start and end dates.

Special School

A special school is either an Experimental Site School or a school with a low cohort default rate.

Experimental Site schools are schools that have been approved by the U.S. Department of Education to be exempt from having to post multiple disbursements for a single term loan.

Schools with low default rates may fall into three categories:

- Schools with cohort default rates of less than 10 percent for each of the three most recent fiscal years have a limited exemption from the multiple disbursement requirement. These schools may opt to disburse all loan funds in one disbursement if the loan period is not more than one quarter, one semester, one trimester, or four months. This provision expires September 30, 2002, unless Congress extends the expiration date.
- Schools with cohort rates of less than 10 percent for each of the three most recent fiscal years are exempt from the 30-day delayed delivery of disbursements for first-time, first-year borrowers. This provision expires September 30, 2002, unless Congress extends the expiration date.
- Schools with cohort rates of less than five percent for the most recent fiscal year are exempt from the multiple disbursement requirement and from delayed delivery of disbursements in the case of a loan made to a student to cover the cost of attendance in a program of study abroad approved by the home eligible institution.

Unacceptable or Incomplete Promissory Note

An Unacceptable or Incomplete Promissory Note is a note that requires further action by the school or the borrower. This may mean obtaining a signature by the borrower or student. Once corrected, the promissory note is returned to the LOC.

Up-Front Interest Rebate

The rebate is equal to a percentage of the loan amount and provides an incentive that encourages timely repayment of Direct Loans and reduces the borrower's total indebtedness.

For 2001-2002 Direct Loans, the up-front interest rebate is 1.5% and is calculated on each disbursement. To keep the up-front interest rebate a borrower must make all of the first 12 required monthly payments on time (no later than 6 days after the due date) when the loan enters repayment. If the borrower does not make all of the first 12 required monthly payments on time, the rebate is lost and the rebate amount is added back to the principal balance of the loan.

User-defined Fields

Special fields that you create for your own use. User-defined fields can be used in all modules for building queries.

Variable Interest Rate

The rate of interest on a Direct Loan may change on an annual basis.

William D. Ford Federal Direct Loan Program

The William D. Ford Federal Direct Loan Program, also referred to as the Direct Loan Program, is a federal program that provides loans to student and parent borrowers directly through the U.S. Department of Education. The William D. Ford Federal Direct Loan Program is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended.

Appendix D

Message Classes

Message Class	Batch ID	Data Description
Exports to COD		
DESF03IN	#D	Full Loan Sub/Unsub Origination Records
DESC03IN	#E	Loan Origination Change
DESD03IN	#H	Disbursement Records
DEPF03IN	PF	Full Loan PLUS Origination Records
Exports to External Systems (Combination Schools)		
DEER03IN	#F	External Loan Data (from EDExpress into an external source)
Imports from External Systems (Combination Schools)		
DIEA03OP	#O	External Loan Origination Add File (from external source into EDExpress)
DIEC03OP	#P	External Change Record (from external source into EDExpress)
N/A	N/A	ISIR Import Add
N/A	N/A	Packaging Import Add
Imports from COD to DL Phase-In Schools		
DIPA03OP	#A	MPN/PLUS Prom Note Acknowledgement
DIOD03OP	#B	Booking Notification
DIPC03OP	#C	PLUS Credit Decision Acknowledgement
DISF03OP	#D	Full Loan Sub/Unsub Origination Acknowledgement
DIPF03OP	PF	Full Loan PLUS Origination Acknowledgement
DIPA03OP	#D or PF	MPN/PLUS Prom Note Acknowledgement (Standard Origination)
DIOC03OP	#E	Loan Origination Change
DIOD03OP	#H	Disbursement Acknowledgement
CODRBFOP	RB	Rebuild Loan File (on demand)
DIOD03OP	SP	Payment to Servicer
DARC03OP	#Q	Funded Disbursement List (Actual Disbursement Roster – Comma-Delimited)
DIAO03OP	#Q	Funded Disbursement List (Actual Disbursement Roster – Preformatted)
DALC03OP	#R	Pending Disbursement List (Anticipated Disbursement

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Message Class	Batch ID	Data Description
		Listing – Comma-Delimited)
DIAA03OP	#R	Pending Disbursement List (Anticipated Disbursement Listing - Preformatted)
DIWC03OP	#W	30-Day Warning Report (Comma-Delimited)
DIWR03OP	#W	30-Day Warning Report (Preformatted)
DABSCDOP	N/A	Disbursement Activity Not Yet Booked at Servicing Report (Comma-Delimited)
DABSPFOP	N/A	Disbursement Activity Not Yet Booked at Servicing Report (Preformatted)
DUPLCDOP	N/A	Duplicate Student Borrower Report (Comma-Delimited)
DUPLPFOP	N/A	Duplicate Student Borrower Report (Preformatted)
INACCDOP	N/A	Inactive Loans Report (Comma-Delimited)
INACPFOP	N/A	Inactive Loans Report (Preformatted)
SNDCPFOP	N/A	SSN/Name/Date of Birth Change (Preformatted)
SNDCCDOP	N/A	SSN/Name/Date of Birth Change Report (Comma-Delimited)
DSDD03OP	AS	Import School Account Statement (Delimited, Disbursement Level Loan Detail)
DSDF03OP	AS	Import School Account Statement (Fixed-Length, Disbursement Level Loan Detail)
DSLD03OP	AS	Import School Account Statement (Delimited, Delimited, Loan Level Loan Detail)
DSLF03OP	AS	Import School Account Statement (Fixed-Length, Fixed-Length, Loan Level Loan Detail)
Imports from LOC		
DECC03OP	N/A	Entrance Counseling Results (Comma-Delimited)
DECF03OP	N/A	Entrance Counseling Results (Fixed-Length)
DECP03OP	N/A	Entrance Counseling Results (Preformatted)
Imports from Servicing		
ED0403OP	N/A	Delinquent Borrowers Report (Preformatted)
DQBD03OP	N/A	Direct Loan Delinquency File
DLCM03OP	N/A	Exit Counseling Results (Comma-Delimited)
DLFF03OP	N/A	Exit Counseling Results (Fixed-Length)
DLFM03OP	N/A	Exit Counseling Results (Preformatted)

Appendix E

Process Diagrams

Loan Origination Process

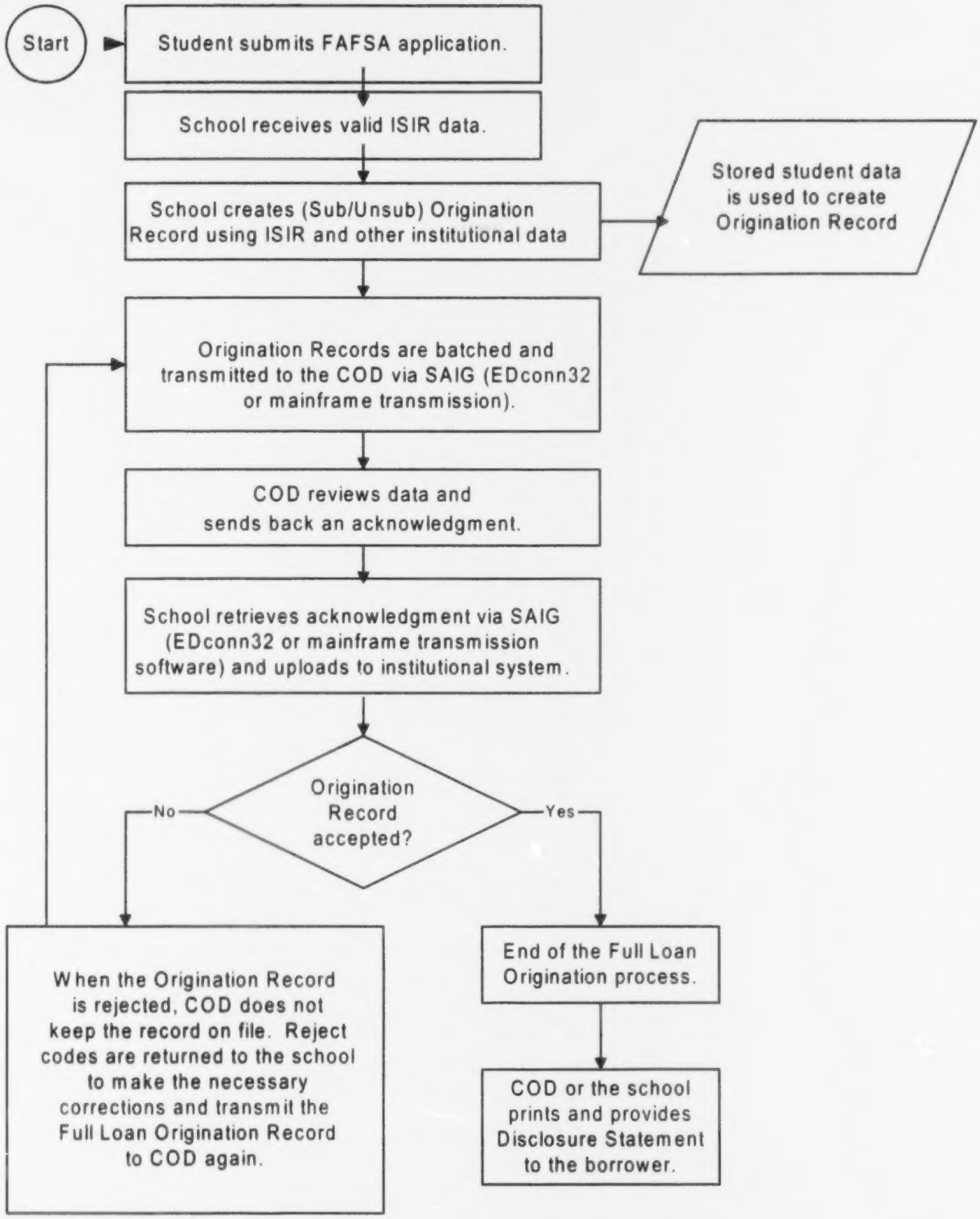
- (Sub/Unsub) E-2
- PLUS
  - School Executes Credit Check E-3
  - COD Executes Credit Check E-4

Promissory Note Process E-5

Disbursement Process E-6

Booking Notification Process E-7

Loan Origination Process (Sub/Unsub)


Start
Student submits FAFSA application.
School receives valid ISIR data.
School creates (Sub/Unsub) Origination Record using ISIR and other institutional data
Stored student data is used to create Origination Record
Origination Records are batched and transmitted to the COD via SAIG (EDconn32 or mainframe transmission).
COD reviews data and sends back an acknowledgment.
School retrieves acknowledgment via SAIG (EDconn32 or mainframe transmission software) and uploads to institutional system.
Origination Record accepted?
No
Yes
When the Origination Record is rejected, COD does not keep the record on file. Reject codes are returned to the school to make the necessary corrections and transmit the Full Loan Origination Record to COD again.
End of the Full Loan Origination process.
COD or the school prints and provides Disclosure Statement to the borrower.

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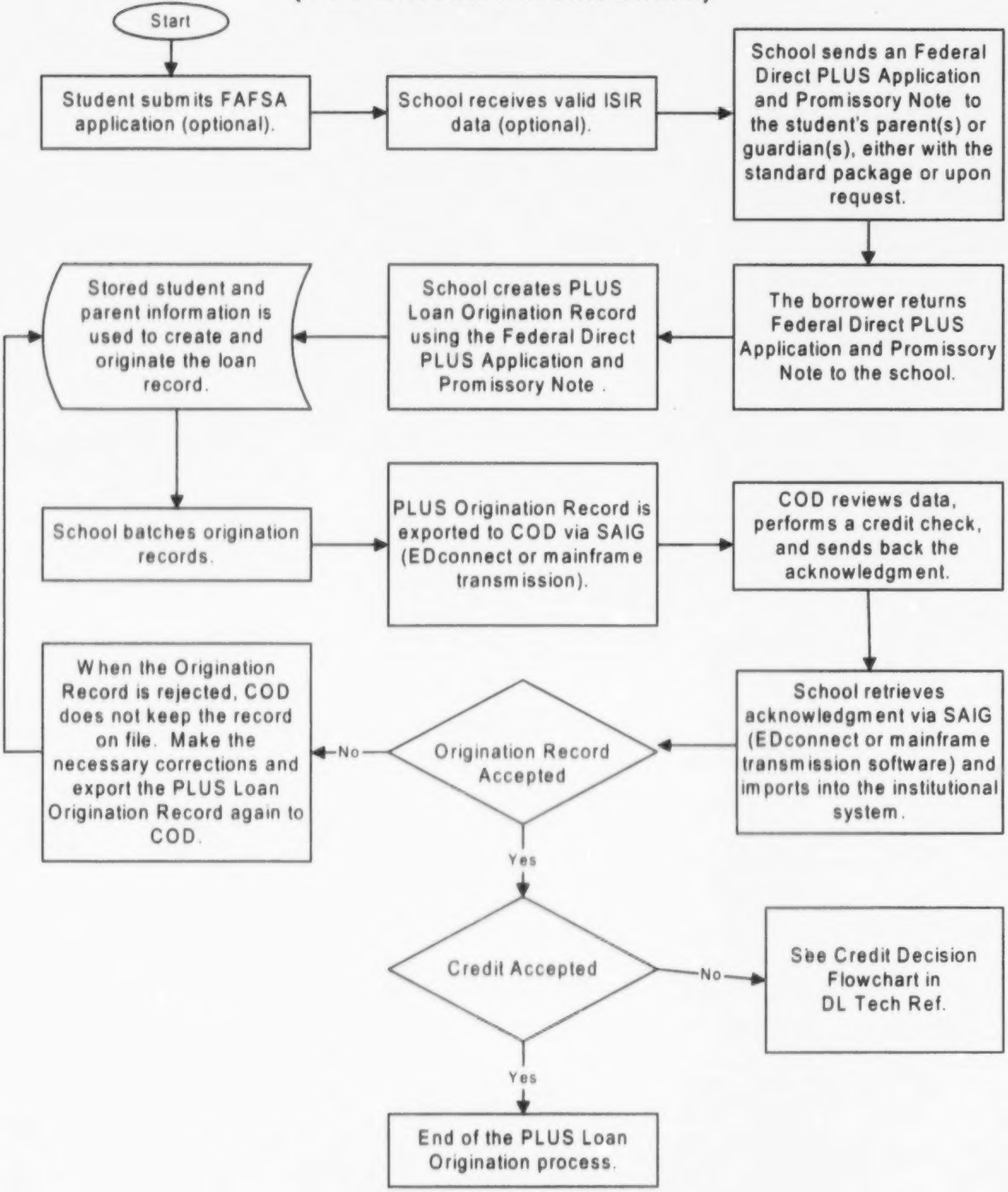
Loan Origination Process (PLUS)
(COD Executes Credit Check)


Start
Student submits FAFSA application (optional).
School receives valid ISIR data (optional).
School sends an Federal Direct PLUS Application and Promissory Note to the student's parent(s) or guardian(s), either with the standard package or upon request.
The borrower returns Federal Direct PLUS Application and Promissory Note to the school.
School creates PLUS Loan Origination Record using the Federal Direct PLUS Application and Promissory Note .
Stored student and parent information is used to create and originate the loan record.
School batches origination records.
PLUS Origination Record is exported to COD via SAIG (EDconnect or mainframe transmission).
COD reviews data, performs a credit check, and sends back the acknowledgment.
School retrieves acknowledgment via SAIG (EDconnect or mainframe transmission software) and imports into the institutional system.
Origination Record Accepted
No
When the Origination Record is rejected, COD does not keep the record on file. Make the necessary corrections and export the PLUS Loan Origination Record again to COD.
Yes
Credit Accepted
No
See Credit Decision Flowchart in DL Tech Ref.
Yes
End of the PLUS Loan Origination process.

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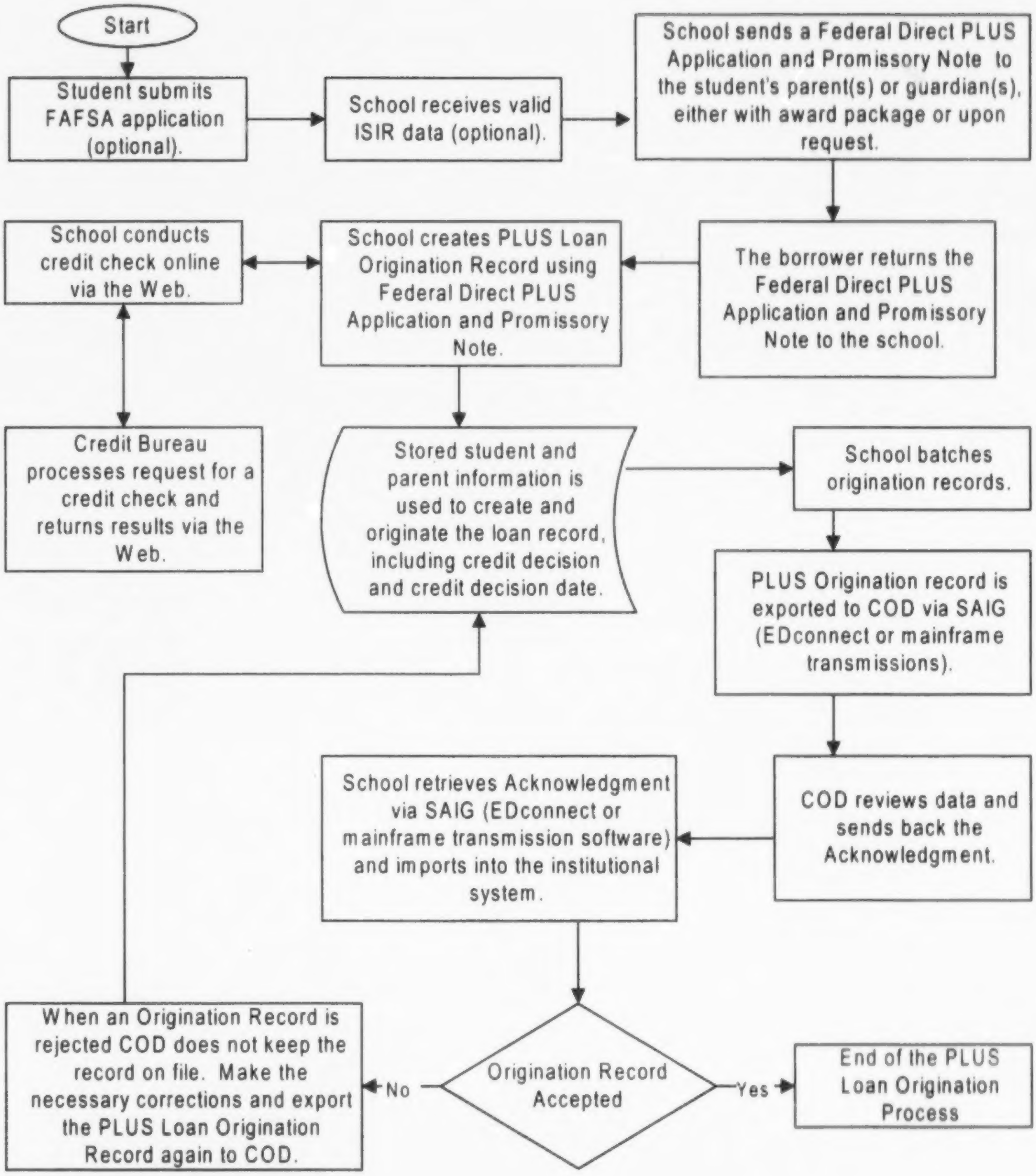
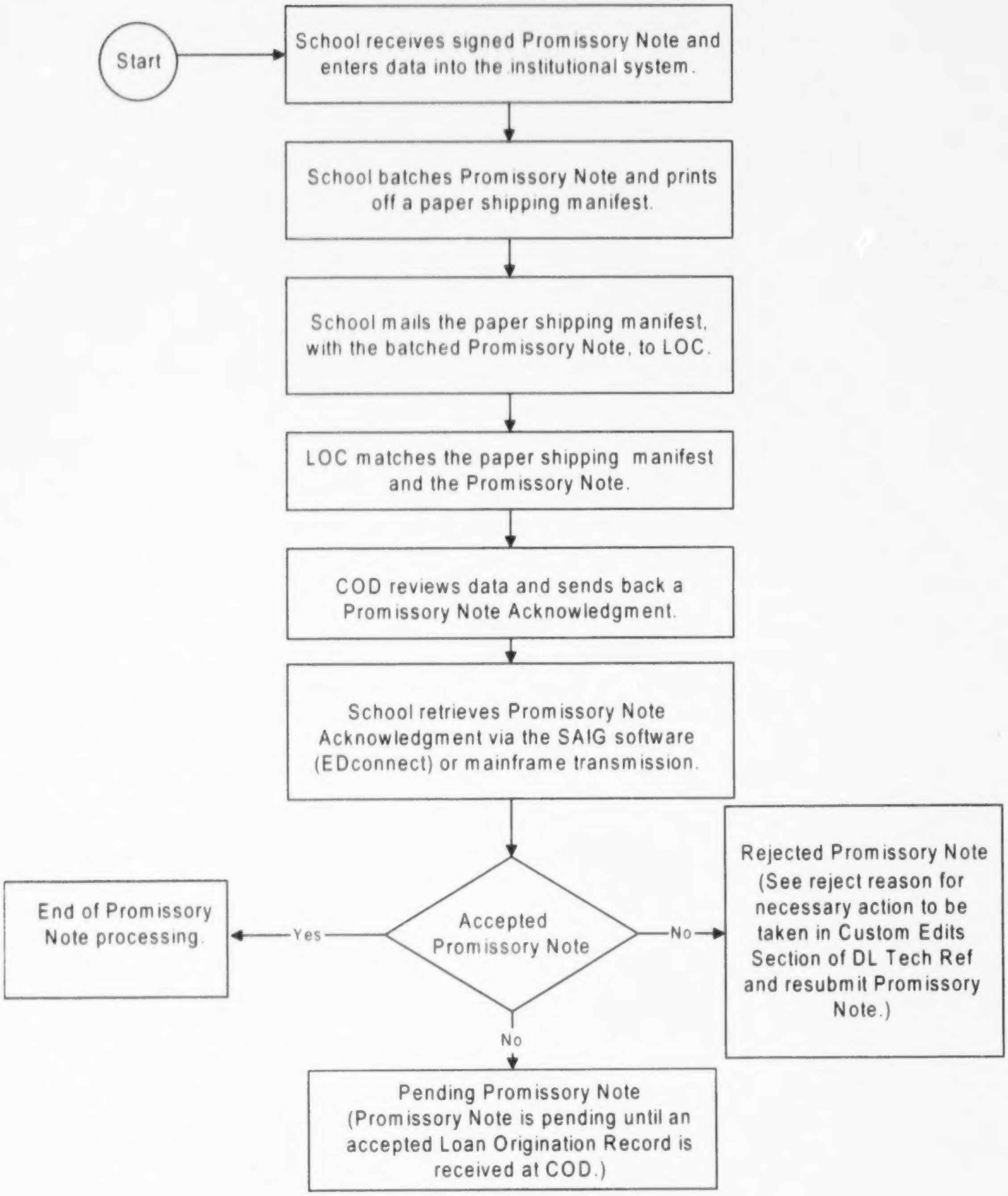
Loan Origination Process (PLUS)
(School Executes Credit Check)


Start
Student submits FAFSA application (optional).
School receives valid ISIR data (optional).
School sends a Federal Direct PLUS Application and Promissory Note to the student's parent(s) or guardian(s), either with award package or upon request.
The borrower returns the Federal Direct PLUS Application and Promissory Note to the school.
School creates PLUS Loan Origination Record using Federal Direct PLUS Application and Promissory Note.
School conducts credit check online via the Web.
Credit Bureau processes request for a credit check and returns results via the Web.
Stored student and parent information is used to create and originate the loan record, including credit decision and credit decision date.
School batches origination records.
PLUS Origination record is exported to COD via SAIG (EDconnect or mainframe transmissions).
COD reviews data and sends back the Acknowledgment.
School retrieves Acknowledgment via SAIG (EDconnect or mainframe transmission software) and imports into the institutional system.
Origination Record Accepted
No
Yes
When an Origination Record is rejected COD does not keep the record on file. Make the necessary corrections and export the PLUS Loan Origination Record again to COD.
End of the PLUS Loan Origination Process

Promissory Note Process


Start
School receives signed Promissory Note and enters data into the institutional system.
School batches Promissory Note and prints off a paper shipping manifest.
School mails the paper shipping manifest, with the batched Promissory Note, to LOC.
LOC matches the paper shipping manifest and the Promissory Note.
COD reviews data and sends back a Promissory Note Acknowledgment.
School retrieves Promissory Note Acknowledgment via the SAIG software (EDconnect) or mainframe transmission.
Accepted Promissory Note
Yes
End of Promissory Note processing.
No
Rejected Promissory Note (See reject reason for necessary action to be taken in Custom Edits Section of DL Tech Ref and resubmit Promissory Note.)
No
Pending Promissory Note (Promissory Note is pending until an accepted Loan Origination Record is received at COD.)

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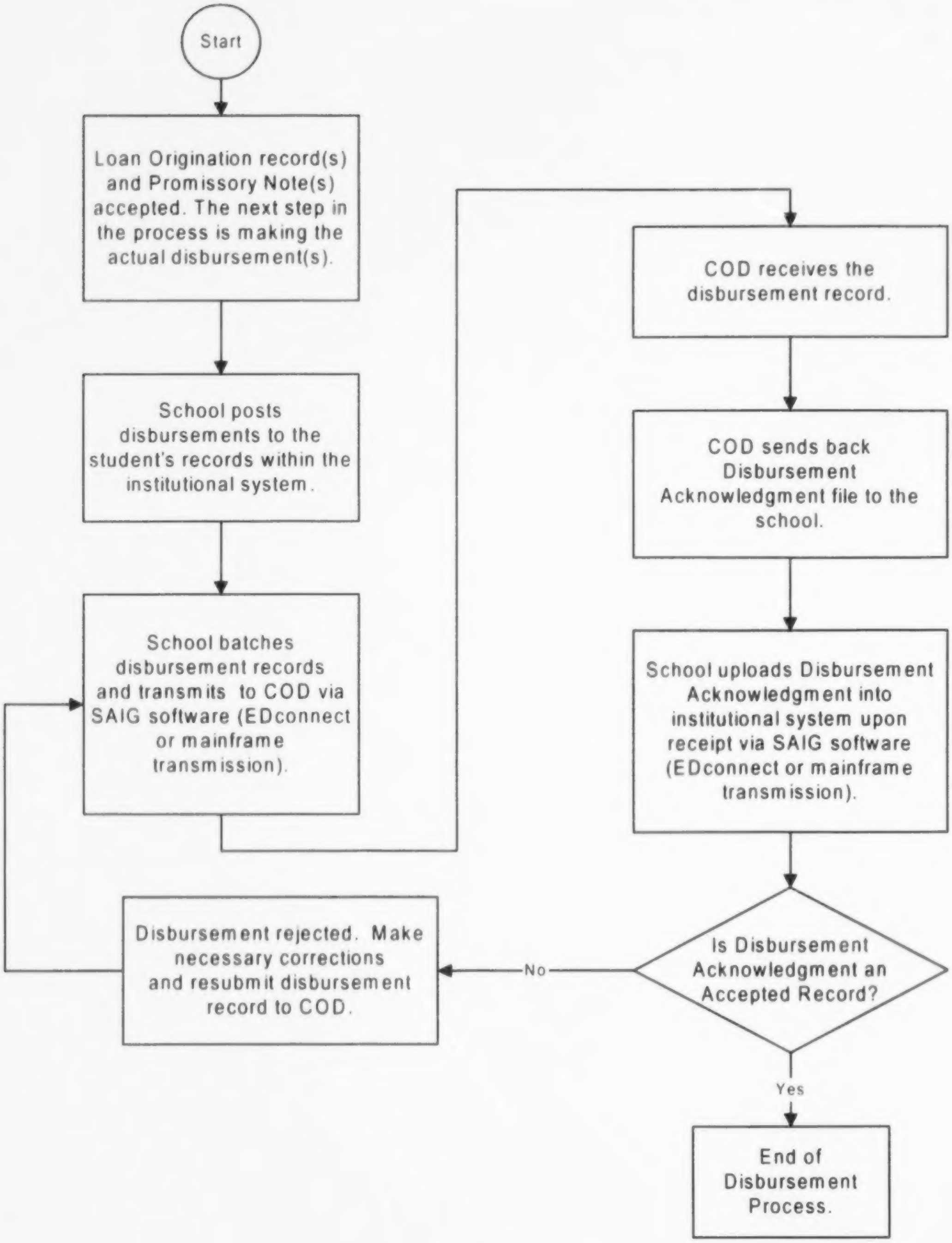
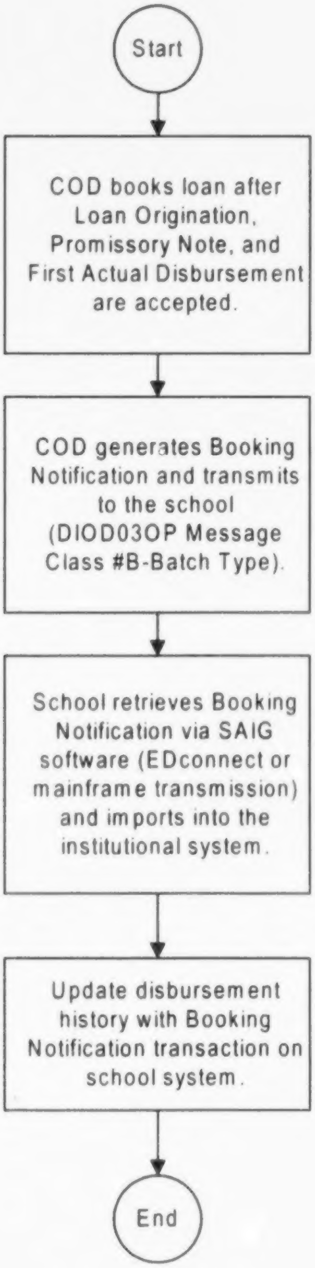
Disbursement Process


Start
Loan Origination record(s) and Promissory Note(s) accepted. The next step in the process is making the actual disbursement(s).
School posts disbursements to the student's records within the institutional system.
School batches disbursement records and transmits to COD via SAIG software (EDconnect or mainframe transmission).
COD receives the disbursement record.
COD sends back Disbursement Acknowledgment file to the school.
School uploads Disbursement Acknowledgment into institutional system upon receipt via SAIG software (EDconnect or mainframe transmission).
Is Disbursement Acknowledgment an Accepted Record?
No
Disbursement rejected. Make necessary corrections and resubmit disbursement record to COD.
Yes
End of Disbursement Process.

Booking Notification Process



COD books loan after Loan Origination, Promissory Note, and First Actual Disbursement are accepted.

COD generates Booking Notification and transmits to the school (DIOD03OP Message Class #B-Batch Type).

School retrieves Booking Notification via SAIG software (EDconnect or mainframe transmission) and imports into the institutional system.

Update disbursement history with Booking Notification transaction on school system.

Appendix F

Relationship between Direct Loan Processing Options and Funding Methods

	Advance Pay	**Cash Monitoring 1 (CM1)**	**Pushed Cash**	**Cash Monitoring 2 (CM2)**	**Reimbursement**
	Receives an Initial CFL > 0 before submission of any actual disbursements	Receives no CFL prior to submission of actual disbursements	Receives no CFL prior to submission of actual disbursements	Receives no CFL prior to submission of actual disbursements	Receives no CFL prior to submission of actual disbursements
	School initiates drawdown through GAPS website	School initiates drawdown through GAPS website OR Direct cash payment pushed to school's bank account based on accepted actual disbursements	Direct cash payment pushed to school's bank account based on accepted actual disbursements	Actual disbursements cannot be accepted without accepted promissory notes	Actual disbursements cannot be accepted without accepted promissory notes
	Actual disbursements can be accepted with or without accepted promissory notes	Actual disbursements cannot be accepted without accepted promissory notes	Actual disbursements cannot be accepted without accepted promissory notes	Actual disbursements cannot be accepted without accepted promissory notes	Actual disbursements cannot be accepted without accepted promissory notes
DL - Option 2 ▪ Submits disbursements w/Payment Trigger = true up to 7 calendar days in advance	X	X	X		
DL -Option 1 ▪ Submits disbursements w/Payment Trigger = true up to 7 calendar days in advance		X	X		
DL – Standard Origination ▪ Submits disbursements w/Payment Trigger = true up to 7 calendar days in advance		X	X		
DL – Reimbursement ▪ Submits disbursements w/Payment Trigger = true on or after disbursement date		X		X	X

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